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ABSTRACT

Early state and local progress toward implementation of the Workforce Investment Act of 1998 (WIA) was reviewed. Data were collected through visits to selected sites in Florida, Kentucky, Pennsylvania, Texas, Utah, and Vermont and a 90-item Workforce System Information and Evaluation (WSIE) data collection form. The following aspects of WIA implementation were examined: plan development and submittal; governance and administration; service design and delivery; program administration and support; linkages between school-to-work and WIA planning; and overall progress toward implementation. In most states, WIA's major precepts had already been incorporated into state legislation or local practice before passage of the WIA. The following key challenges in WIA implementation were identified: (1) expanding and enriching the menu of available core and intensive services; (2) clarifying relationships among one-stop service delivery partners; (3) improving federal/state guidance and state/local response; (4) improving employer services and increasing the level of employer involvement; (5) developing comprehensive youth services; and (6) developing and improving a

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shared workforce development management information system. (Appended are the WSIE data collection instrument, information about constructing a WSIE composite index of readiness, the Department of Labor's "Planning Guidance and Instructions for Submission of the Strategic Five-Year Plan," and highlights from the evaluation.) (MN)

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A Report on Early State and Local Progress Towards WIA Implementation

Final Interim Report
February 2001

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EXECUTIVE SUMMARY

This report has been prepared as part of a contract awarded by the U.S. Department of Labor (DOL) to conduct an Evaluation of the Implementation of the Workforce Investment Act (WIA) of 1998. This summary reflects the findings reported in the Interim Report for the evaluation; as such, it describes the early WIA transition experience based on site visits to a sample of states and local areas that elected to be "early implementers" under WIA, as well as on results from the first phase of a tracking system that recorded national implementation progress.

BACKGROUND

The WIA legislation constitutes an important overhaul of the nation's structure for delivering employment and training services that in many ways represents a fundamental departure from past practices. Among its overarching tenets, WIA allows for substantial state and local flexibility, so that emerging systems can best meet the needs of their communities. Within this framework, the legislation calls on states and local areas to establish streamlined service delivery systems that will integrate resources available from a multitude of separately funded programs. WIA also emphasizes universal access to employment and training services among adults, so that anyone who wants assistance relating to job search or career planning should be able to receive it. Empowering individuals to take control over their own career planning represents another key tenet that underlies the WIA approach to services. According to this new vision, customers are given responsibility for establishing their own career goals and have new options with respect to the services they access, the training they want to undertake, and the vendors available to provide training to them. Youth programs also receive special emphasis. Along these lines, the legislation folds together summer youth and year-around programming, places a clear emphasis on comprehensive service strategies, and requires input on youth programming from local experts.

DOL promoted these objectives by formulating new regulations that were developed in consultation with states and local areas. These regulations were designed to be much more flexible and empowering than the regulations they replace and, in keeping with WIA, call for the establishment of new administrative and service delivery structures. For example, in keeping with WIA, state and local workforce investment boards are to be established, and each has an important role to play in shaping policy to

meet the states' and communities' needs. A new system of accountability will be put in place that emphasizes customer satisfaction for both employers and job seekers, and that stresses the importance of continuous improvement to build a "world-class" service system. A service delivery structure built on One-Stop career centers is also mandated, so that customers can access a broad range of services to meet diverse needs at a single location. In addition, a tiered approach to adult services will be implemented, whereby services will begin with less intensive services, such as labor market information and help in finding employment, and will increase in scope and intensity as the need for additional services is documented.

DESIGN OF THE EVALUATION

As the above discussion suggests, WIA calls for both the establishment of new governance and administrative structures and the development of new service delivery systems and policies. The three-year evaluation was funded by DOL in June 1999 to examine how states and local areas made the transition to functioning and then mature WIA systems.

In investigating this implementation experience, we are conducting two major data collection activities: 1) site visits to a selected sample of states and local areas, and 2) in conjunction with DOL, a periodic tracking of implementation progress across all states.

Data Collection as Part of the Case Studies

To understand the implementation experience, we will be conducting detailed site visits over the course of the evaluation to approximately sixteen states, and selected local workforce investment areas within these states. These site visits will be conducted over a three-year period, with some—the ones already completed—occurring in PY 99, and others scheduled for later in PY 2000 and PY 2001. This approach provides a view of the implementation experience as some systems were just being put into place and after others had benefited from one or more additional years of development. Moreover, some states and local areas will be visited once over the three years of the evaluation, while others will be visited twice. Using project resources in this way strikes a balance between ensuring that we visit a representative number of states, while also giving us the opportunity, through return site visits, to observe how the same workforce systems develop and mature over time.

The Interim Report, on which this summary is based, draws on observations from the first round of site visits, which occurred between December 1999 and the summer of 2000. These visits were conducted to the states of Florida, Kentucky, Pennsylvania, Texas, Utah, and Vermont. At the time they were selected, in early fall of 1999, these six states were identified by DOL to be early implementers under WIA, which means that they would have had their WIA plans approved, negotiated levels of performance for the WIA core indicators, and, in general, made the transition to WIA prior to the start of PY 2000. Our data collection plan called for us to conduct discussions at the state level and to visit one local area from three of these six states and two local areas within each of the remaining three states. In this way, we could look at both intra-state and inter-state variability in the implementation experience and from the standpoint of both state-level and local-level administrators and staff. By conducting site visits to these early implementers during PY 99, we were able to identify emerging implementation progress and problems among those who were expected to be at the forefront of the nation's transition effort.

Data Collection as Part of the Systemwide Tracking

As part of this evaluation, we have also assisted DOL in tracking all states' implementation progress. To inform the tracking system, DOL's regional office representatives have periodically updated implementation profiles for each of the 54 states and territories, using a 90-item Workforce System Information and Evaluation (WSIE) data collection form. This form, which was developed by a workgroup of DOL national and regional office staff with input from the evaluation team, allows regional representatives to record each state's progress in achieving key benchmarks associated with WIA implementation, such as forming a State Board, designating local workforce investment areas, establishing comprehensive One-Stop Centers, and so on. Approximately every six weeks between March 2000 and late October 2000 the evaluation team accessed the database in which the responses were entered, to generate periodic "quick turnaround" reports of implementation progress nationwide.

RESULTS FROM THE SYSTEMWIDE TRACKING

All states were to be operating under WIA requirements and funding by July 1, 2000, although they have until June 30, 2001 to fully implement the reforms contained in the Act. The WSIE tracking system was devised to follow the progress towards WIA implementation across the 54 states and territories as the July 1st deadline approached and passed.

One area covered by the WSIE relates to the WIA plan development and approval process. Results show that almost all states involved a wide number of partners in developing the plan, including representatives from the Employment Service, Veterans programs, Vocational Rehabilitation, Unemployment Insurance, Adult Education and Literacy, Welfare-to-Work, Perkins, Trade Adjustment Assistance, and others. States also had the option of submitting a unified plan for up to 16 federal education and training programs, so as to facilitate joint planning and coordination. According to the WSIE, 22 of the 54 states and territories submitted a unified plan. Most often involved in these plans, in addition to the WIA Title I and Wagner-Peyser programs, were Veterans programs, Trade Act programs, Vocational Rehabilitation, and Unemployment Insurance programs.

An important task for states as they move towards WIA implementation is establishing a state workforce investment board. One-half of the 54 states and territories have chosen to grandfather an existing State Board, while a new board was established in the remaining cases. Just over one-half of the states have established a state Youth Council, even though they are not required to do so. Meanwhile, just under one half of the states and territories have reconfigured at least some of the boundaries of their local areas compared to the boundaries of their service delivery areas under JTPA. Overall, the reconfiguration has led to a modest reduction in the number of local areas, as approximately 620 areas were identified under JTPA, while 598 will be established under WIA for the 54 states and territories covered by the WSIE.

Just as their state counterparts, these local areas need to establish governance and administrative structures relating to WIA, including establishing Local Boards. Nationwide approximately two-thirds of the boards were newly established, while the remaining one-third have been grandfathered; thus, new boards were more likely to have been established at the local, as opposed to the state, level. Consistent with the intent of the Act, in most local areas, a clear separation is made between policy and operations. Thus, only 3% of the Local Boards nationwide have been granted a waiver to provide training services, only 14% have been approved to provide core and intensive services, and just 18% have been approved to serve as a One-Stop operator.

The development of the consumer report system is a cornerstone of efforts to promote informed customer choice for training services. Based on the WSIE, it appears that nearly all states have an approved list of eligible training providers.

However, in many cases these lists are thus far lacking key components of a well-developed consumer report system. For example, only about 33 of the states and territories have an electronic consumer report system that contains information on providers' performance, though slightly more provide information on providers' costs, programs of study, and locations.

When asked to describe the challenges that the states in their regions were facing, DOL regional staff noted that states were expressing widespread concern about the difficulties in amassing performance information for training providers. Some were concerned that the information that vendors would provide would not be reliable; others are concerned about confidentiality issues that will arise if matching with Unemployment Insurance (UI) wage files is used to calculate providers' performance; others are worried that too few providers will apply for eligibility, effectively limiting customer choice; still others worry about the implications of having different local areas set different performance benchmarks for vendors' eligibility.

For smooth functioning under WIA, states also need to establish performance accountability systems that, in keeping with WIA, draw on Unemployment Insurance wage records for purposes of calculating performance. However, 15 of the states and territories anticipate problems in accessing UI data for purposes of carrying out these calculations.

The above sections allude to the wide variety of issues that states must attend to as they move to become compliant with the terms of the WIA legislation and the associated regulations. As a way of helping DOL gauge progress towards implementation, a readiness index calculated from the WSIE was developed to reflect the percentage of a selected number of required elements that each state has in place. By calculating this index repeatedly, from successive waves of the WSIE, we can observe how the transition to WIA unfolded over time. The index shows that, as of March 2, 2000 (when WSIE data first became available), a few states had readiness scores near zero, and an appreciable number had scores of 50% or less. Readiness has risen steadily over the months, however, so that, by the end of October 2000, 45 states and territories had a composite index of 75% or higher and only a handful have a composite index of less than 60%. Clearly, substantial progress has been made over a relatively short period of time, an achievement for which states and local areas deserve much credit.

RESULTS FROM THE ANALYSIS OF THE CASE STUDIES

Based on the site visits to six states and 9 local areas within these states, we are able to reflect on the context within which WIA has been implemented and on progress that has been made to date in forming governance and administrative structures, developing service strategies, and developing administrative support systems for WIA. Because the National School-to-Work Office was especially interested in learning how school-to-work (STW) systems were linking with emerging WIA systems, we also focused on this issue as part of our case studies.

The Context for WIA Implementation

Although WIA represents a substantial change in federal laws governing workforce development, the legislation had been long anticipated in most of the case-study sites we visited. Moreover, these states had come to their own conclusion well before WIA was enacted that their existing workforce systems were, in their words, inefficient, duplicative, and confusing to the customer. For these reasons, WIA's major precepts had to some degree already been incorporated into state legislation or local practice prior to the passage of the federal legislation, which made the transition to WIA much easier in the case-study sites than it would otherwise have been.

Reflecting on this pre-WIA history, three factors emerged as important. First, in almost all of our case-study sites, strong pre-existing state and local partnerships were in place, sometimes spurred by formal agency consolidation. For example, some states had undertaken a major consolidation of their state agencies responsible for workforce development and education programs prior to the enactment of WIA. But even where formal consolidation at the state level had not occurred to any appreciable degree, agency administrators had increasingly come together for the purposes of developing coordinated policies and providing seamless services to customers. Almost always, this new spirit of cooperation was repeated at the local level. Thus, where state-level administrators had established a pattern of cross-program coordination, either by legislative fiat or simply as a byproduct of good practice, their example was followed by their colleagues at the local level—in fact, very often collaboration was taken a step or two further at the local level, because the advantages of doing so were very apparent.

Second, state-level, and, in some cases, regional human resources investment councils (HRICs) were often already in place. At the state level, HRICs have been seen as a vehicle for coordinating state workforce policy since they were authorized by

the 1992 amendments to JTPA. Accompanying the trend towards agency consolidation and partnership that we described above, or perhaps as a consequence of it, HRICs were in operation well before WIA was enacted in all of our case-study states but one. Nearly as common across our case-study sites were broad regional or local workforce development policy boards. Having these boards in place prior to WIA clearly facilitated the transition to WIA, as is amply demonstrated by the greater struggles that local areas without such boards encountered in establishing strong governance in time to impact policy decisions required for WIA implementation.

A third key feature that greatly facilitated WIA implementation in most of the case-study sites was that One-Stop systems were generally already in place, and typically had been for some time. In some instances, these systems had their genesis in a state's early workforce development reform efforts; uniformly, they were strongly supported by One-Stop implementation grants issued by the U.S. Department of Labor between 1994 and 1999.

Notwithstanding the groundwork that had been laid in the years before WIA was enacted, the WIA transition still required a lot of hard work and tremendous effort. Making the task even more daunting was the compressed timeframe within which structures and policies needed to be established in order for early implementation to occur. Additionally, WIA structures and policies were being crafted in the case-study sites even while DOL was still issuing guidance and clarifications. A number of other challenges and barriers were also mentioned by our respondents, including working out cost-sharing and leasing arrangements and putting new information systems in place.

Organization and Governance

To oversee the new workforce investment system at both the state and local level, Congress required states and local workforce investment areas to establish workforce investment boards. As envisioned by the Act and the regulations, these boards would be the catalysts to bring together, in one deliberative body, representatives of all the major stakeholders in workforce development to provide strategic planning and oversight for the workforce investment system. All of the six states participating in this study had functional workforce investment boards in place at the time of the site visits (which generally took place in the first half of calendar year 2000). Four of the states chose to grandfather their existing State Boards, because they had invested considerable effort in reorganizing the governance structure of their workforce development system

prior to the passage of WIA, and saw minimal benefit to be gained from changing these structures again.

All local areas that we visited also had functioning Local Boards in place at the time the visit occurred (or equivalent regional planning bodies in the case of the two case-study states that consisted of single workforce investment areas). In over half of the local case-study sites, these Local Boards were established prior to the enactment of WIA, and, through state initiatives, had included since their inception diverse partner representation and broad policy oversight over workforce development programs. In the remaining areas, new boards with composition and purpose consistent with WIA needed to be established. Clearly, the areas with planning bodies previously in place that were like workforce investment boards in form and function were much better positioned to develop policies and procedures consistent with WIA in a timely way.

In a similar pattern, local areas that had strong youth planning bodies in place prior to the enactment of WIA were much quicker to develop strong Youth Councils consistent with WIA. These prior bodies, where they occurred, often consisted of School-to-Work partnerships. In fact, in several local areas, the entity designated as the School-to-Work partnership was either given the responsibility and title of the Youth Council or was integrated into the Youth Council. This strategy seemed to make sense because, where STW partnerships were strong, they brought strong linkages between the school system and employers.

Governors and other elected officials at both the state and local levels are additional key players in the governance envisioned by WIA. At the state level, elected officials were, in many of the case-study states, key agents of change and had begun initiating workforce reforms even prior to the enactment of WIA. By contrast, local elected officials were less likely to be strongly involved in workforce planning, either before or after WIA, although one of our nine local case-study sites stands out as a strong exception.

All workforce development policy boards, whether at the state or local level, have staff to assist them in carrying out their work. In two states, the staff to the State Board are persons from the lead implementation agency. In two other states, the State Board staff are employed by the State Board organization, which is separate from any particular government department or entity. In the other two states, the staff devoted to the State Boards are employees of other state agencies.

At the local level, several of the case-study sites have a clear demarcation between staff assigned to the Local Board and the program operations staff. They have accomplished this separation by either deliberately placing board staff in a separate government agency or organization, or awarding contracts for service delivery (including operation of the One-Stop system) to an outside organization. Achieving clear separation is the explicit intent of the law, and the majority of areas visited have met this requirement. However, in several areas, the same agency that staffs the Local Board had also taken on a program delivery role in some or all of the One-Stop centers by being a member of the operator consortium.

Also as part of WIA administration and governance, local areas must establish partnerships among 18 identified programs conducting workforce development activities. At the time of the site visits, all of the local areas participating in the case study had made progress towards this requirement by developing formal memoranda of understanding between these programs and the local policy boards. Two of the local areas had completed the second step of negotiating the specifics of staff co-location and resource sharing among partners. In the majority of the areas, though, the details of cost sharing had not been finalized. Moreover, local officials expressed a concern that partner programs would be reluctant to agree to provide cash payments to the Local Board or One-Stop operator to support the delivery of core services. Apparently, many partners prefer to offer in-kind contributions by donating staff time or equipment whose approximate dollar value can then be applied to the partner's overall commitment. Additionally, in many of the local areas we visited, staff at the One-Stop centers expressed some fundamental concerns regarding perceived barriers that would impede the realization of true partnerships, including the reluctance or difficulty of some partner programs to fully integrate and participate in the One-Stop system because of the rules of their individual programs or due to confidentiality requirements.

Finally with respect to governance and administration, local areas must designate a One-Stop operator. About one-half of the local sites we studied selected a consortium of partners through a non-competitive process to operate their centers; the remaining half used a competitive selection process. This decision had noteworthy implications for how lines of authority were drawn among staff from partner programs who worked at the centers.

Design and Delivery of Services

In preparing to provide customer services under the Workforce Investment Act, states and local areas have had to develop detailed service plans and policies and resolve a myriad of operational questions about how the delivery of One-Stop services under WIA will work in practice. The Act allows states substantial discretion to design services that will address the particular economic contexts, organizational structures, and customer needs within each state. Many of the states included in this study, in turn, have given substantial discretion to local workforce investment boards to determine what One-Stop services should look like and how One-Stop operators, partner agencies, and contracted service providers should work together to deliver high quality customer services.

Services for Adults and Dislocated Workers. In responding to the federal guidelines for core services for adult and dislocated workers, states and local areas have been working hard to develop approaches that offer a balance between customer self-service and staff support. They have also been grappling with how to offer similar service content through a variety of modes (e.g., automated self-service tutorial, group workshop, individual counseling session) to meet the needs and preferences of different customers. With respect to staff support, all centers include staffed greeting, orientation, and information services. As a result of the initial greeting and orientation activities, many visitors decide to use resource rooms to access a wide range of core information services. Most local service delivery systems that we studied have invested substantial time, resources, and staff in developing these resources, often with states acting as major partners in developing the software and providing the hardware. Nonetheless, some level of staff assistance for customers using the resource room is often involved. Staff assistance is even more apparent in those core services that involve light-touch counseling, group workshops, and assistance in determining customers' eligibility for more intensive and/or specialized services. In seven of the nine sites, Wagner-Peyser staff are dominant in providing staffed core services. Similarly, although cost allocation plans were still under development, Wagner-Peyser funds were often the sole or primary source for funding core services in about half of the local sites. Regardless of staffing or funding arrangements, all centers are eager to track the utilization of core services for their own informational purposes, but most states are reluctant to have those receiving staffed core services become officially registered as WIA participants (who would thereby become subject to formal performance measurement).

In keeping with WIA, adults and dislocated workers who cannot have their employment objectives met through core services are eligible to receive intensive services, though priority must be given to low income individuals. These guidelines have been operationalized in several different ways. For example, several case-study sites require customers to complete a specific core service or services before they qualify for entry into intensive services (e.g., attend an orientation session, conduct job search lasting at least six weeks), and some require that a certain proportion of all individuals receiving intensive or training services must belong to a particular priority group. Intensive services are provided either by the designated One-Stop career center operators or other contracted service providers (in about half of the local sites), or are provided through the coordination of staff from a variety of different agencies identified as One-Stop system partners (in the remaining half). In any case, recognizing that customers may require intensive services at a variety of different points in their individual careers, the case-study sites were developing a relatively broad menu of intensive services and a fairly flexible notion of how these services should be sequenced.

The third level of services for adults and dislocated workers, according to the WIA legislation, is training, including primarily occupational skills training, which is primarily to be supported through individual training accounts (ITAs). States have responsibilities in supporting local areas in training by establishing the eligible training provider list. They additionally can establish policies regarding customers' access to training and set limits on the types of training that will be supported, but most of the states we visited have devolved much of this responsibility to local areas. These policies become important because some sites were concerned that, after supporting core and intensive services, they might have limited amounts left to support training. Thus, local sites usually carefully regulate the process by which customers flow between intensive and training services. Several sites have developed written training services approval guides for this purpose, which One-Stop staff must complete to document that the required procedures have been followed by each customer seeking training support. These identify the core and intensive services that must have been completed before training can be approved, detail which occupations are considered to be in demand, and, in some cases, establish minimum basic educational skills that clients must possess before proceeding. Sites have also set maximum levels—of both costs and duration—for funded training. These generally will allow training for up to one or two years at a cost that ranges across sites from $5,000 to $10,000 per person.

Another training policy that states and local sites needed to establish related to the performance levels they set for approving training providers for inclusion on the eligible training provider (ETP) list. None of the visited sites set stringent requirements for the providers' first year of eligibility, but there is likely to be substantial variation in how stringent requirements are likely to be for subsequent eligibility. For the most part, though, criteria for subsequent eligibility were still under development. Similarly, the details of consumer report systems are in many cases still being established, and decisions have in many states still to be made as to how providers' performance data will be calculated. The concern in making these decisions relates to how the training marketplace will be impacted, including whether providers will decide against applying for eligibility because procedures are perceived to be too burdensome or not worth the expected payoff in terms of WIA-funded trainees.

Employer Services. In contrast to their significant progress in developing One-Stop services for job seekers and employed workers as described above, most of the case-study sites appear to be in the relatively early stages of developing customer-driven services to meet the needs of the business community. Although states and local areas do not always use this terminology, the concepts of automated self-service, core assisted, and intensive/training services appear to be useful in clustering the emerging approaches to employer services. With respect to the first of these, most of the case-study states have been active in developing automated information and labor exchange services that they are marketing to employers as effective tools to help them meet their hiring needs, including the ability to post new job openings, review a pool of job seeker resumes, initiate an individualized job match that links the skills of a pool of job applicants to the employer's specific job requirements, and engage in labor market research. Several local case-study sites are also trying to attract employers to come into their physical One-Stop centers by creating separate employer resource rooms and offering space within the center for employers to interview job applicants, but these facilities were not yet being widely used by employers. Taking staff support for employers one step further, the majority of the case-study sites have begun to develop assisted core services by designating staff to conduct outreach to employers and provide individualized employee recruitment and screening services, and information and counseling on a wide range of issues relevant to business operations. Finally, some of the local sites we visited have also begun developing a menu of more intensive or more specialized services that they offer to employers, including specialized employee recruitment, business consultation services, or customized training. Still, a substantial

obstacle to the greater use of One-Stop systems by employers appears to be that only a small proportion of potential employer customers are currently aware of and using center services.

Youth Services. The local workforce investment areas we visited for this study were still in the early stages of designing youth services at the time of our site visits. For example, local Youth Councils were still in the process of being formed or had only just started to meet, and plans and frameworks for youth services under WIA were just starting to be developed. The challenge was particularly daunting in that in many instances local areas are having to abandon their previous summer youth programs and reinvent their youth service designs to meet the requirements for comprehensive year-round services contained in WIA. Perhaps because of this challenge, almost without exception both states and local areas are trying to draw on a wide range of program resources and youth service partners, including local school districts, School-to-Work implementation grant partners and funds, youth-serving organizations in the community, local Youth Opportunity partners and grants, Job Corps programs, welfare-to-work programs and resources, local Carl Perkins programs, and foundation funds. Similarly, local Youth Councils and workforce investment boards are selecting a wide variety of organizations to provide WIA-funded youth services. Depending on the site, these youth services may or may not be closely linked with the One-Stop delivery system for adults, despite the fact that the youth program is a required One-Stop partner.

Progress Realizing the One-Stop Service Principles. Without exception, the sites we visited are reforming their workforce development services and delivery arrangements to increase the coherence of services from the customer perspective and to simplify customer access to services. Some are doing so by developing a highly integrated service delivery system following clear state guidelines for consolidating the staffing and operations of different workforce development programs. Others are promoting flexible coordination among One-Stop partners through operational plans developed and adapted at the local level. Regardless, all of the case-study sites were reorienting workforce development services around customers' needs and interests, rather than making customers fit into preordained program descriptions and service sequences, and they were aggressive in their efforts to promote universal access by developing self-access tools and allowing for remote access.

Administrative Support Structures

In addition to their responsibilities in providing overall policy direction and guidance, states need to support the emerging workforce systems in a number of ways. First, they are responsible for developing performance accountability systems consistent with WIA. Along these lines, some states—and local areas as well—have been measuring customer satisfaction for quite some time. Moreover, they are taking to heart efforts to promote continuous improvement, either by adopting Baldrige criteria or through other means. As part of these accountability systems, states also needed to negotiate performance levels on the WIA core measures with both the federal government, and, in turn, with their local areas. These negotiations went either very well or very poorly, depending on which state we visited. Some found DOL regional staff very helpful in working with states to develop reasonable yet challenging performance targets, while others felt that DOL was inflexible. Similarly, some local areas felt that states left little room for negotiation, even where states were intending to recognize a need for local input and control. To a large extent, it seems, states and Local Boards have muddled through the first negotiation process, unsure of just how to proceed.

MIS development represents another area in which states are expected to play a strong role, and here again the picture is decidedly mixed. On the one hand, states are making major changes to their management information systems that are consistent with the vision embodied in the new legislation. Thus, some are recreating MIS to primarily facilitate the delivery of services (e.g., by incorporating greater case management capabilities), and some are focusing on bringing together parallel and disparate program-specific systems into a more comprehensive one, making a priority of integrating programs on this functional level. However, these systems are at uneven stages of development, as some states are encountering persistent glitches that have yet to be fully worked out.

Capacity building is another area in which states, in conjunction with local areas, are supporting emerging systems. Here efforts are appearing to bear fruit more uniformly. For example, many of the case-study sites are providing materials, technical assistance guides, and training to address issues—such as cross-agency training—that arise when multiple agencies attempt to provide streamlined customer services. Other training efforts prepare staff to provide high quality customer service and support continuous improvement efforts. Still others train staff in how to use new management information systems, labor market information, or other important

information resources. Still, the needs for training and other support for staff are great, and states and local areas must recognize that capacity building needs to be an ongoing effort.

Linkages with STW Systems

Across the six states and nine local areas we visited, there is broad variation in the extent to which STW officials are involved in WIA planning efforts and in service coordination. At the planning level, each site demonstrates at least some overlap in membership between STW and WIA governing bodies. For example, in almost every local site at least one STW official or partnership member serves on the Local Board, the Youth Council, or both. Beyond this, in several sites, STW had made extremely useful contributions to the WIA planning process by providing knowledge of youth service delivery as well as access to already established partnerships among agencies and community organizations that serve youth. In these sites, it was common for there to be substantial overlap between STW officials and WIA planners. Indeed, in some cases the STW partnership and WIA Youth Council were in fact or effectively the same body.

While there is substantial overlap in membership between STW and WIA, there is somewhat less coordination or overlap in service provision. Where it was in evidence, service coordination took one of two major forms. First, in two of the nine local sites the STW partnership was awarded the contract and funded to actually provide youth services under WIA. In these instances, STW and WIA can obviously be mutually reinforcing at the level of youth services. Second, in at least one additional site, the STW partnership and WIA agencies cross-refer individuals between the two programs, with each program picking up an individual at the appropriate point in his/her service history. In this instance, case management stretches across programmatic boundaries, and enables individuals to have access to services under either or both programs, depending on their needs. In a variant of this model, one site's One-Stop centers plan to install computers in the schools to enable youth to have electronic access to the local workforce system's self-service resources.

Overall, we found that planning and service coordination between STW and WIA were typically greatest in rural areas that had a history of poor educational performance and a strong commitment to improve student performance. In these cases, STW systems were viewed as very helpful as Local Boards or Youth Councils struggled to implement comprehensive youth services. The resources intrinsic to these STW

systems— including the strong involvement of schools, linkages with employers, experience in providing year-round youth services and arranging internships, among others—were useful to WIA youth programming perhaps because so much of the resources for youth programming under JTPA had been focused narrowly on the Summer Youth program.

More generally, STW and WIA are seen as strong and viable partners in those of our local sites where the STW program in the area was well established, effective, and well-known by the business community, and more generally, well in advance of the enactment of WIA. Perhaps because WIA officials could see or were aware of the strength of the STW program in these instances, they could readily understand the potential value of the program to their own efforts. Workforce development officials in these sites tended to view STW as a strong program that had made a tangible difference in preparing youth not only for careers but also for greater success in the classroom.

CONCLUSIONS

One of the difficulties in tracking the rapid progress that states and local areas have made toward WIA implementation is that information about the current status of any particular site becomes outdated soon after it is collected and usually long before it is disseminated. For this reason, we offer the experiences and findings documented in this evaluation as illustrative examples of the accomplishments of the early implementation sites and some of the implementation challenges that they faced and that other sites are likely encountering.

Among their key accomplishments, the states and local areas we visited were successful in establishing the governance structures and decision-making procedures required by WIA, including the grandfathering in or establishment of new State and Local Boards and the designation of One-Stop operators. They also were forging strong relationships among required partners, through collocation and by developing MOUs at both the state and local levels and otherwise coordinating service delivery (although few of the local areas that we studied had completed the second step of negotiating the specifics of staff co-location and resource sharing among partners). Similarly, they had One-Stop delivery systems in place and had made great strides in providing an array of core services to job seekers. In these ways and others, the case-study states and local areas were moving rapidly toward full implementation of workforce development systems that conformed to WIA requirements. Especially promising was that: (1) systems were emerging that clearly reflected the priorities of

elected officials and policy boards within the specific geographic entity and thus take on a distinctly "local flavor" while still meeting the requirements of the federal WIA legislation; and (2) One-Stop systems are developing that identify and build on the particular strengths of each partner program and agency and use the resources of partners to enrich the core and intensive services available to One-Stop customers. With respect to the second of these, there appear to be as many different ways of combining the resources of One-Stop partners as there are local One-Stop systems. Most of the case study sites are drawing heavily on the resources of the Wagner-Peyser system to fund and provide core services. However, it would be a great oversimplification to say that core services under WIA are just "warmed over" ES services. In most sites, both core and intensive services have been redesigned to draw on the expertise and service offerings of multiple partners, including partners representing vocational rehabilitation, welfare-to-work, adult education, WIA funding streams, and others. In these ways, WIA systems are emerging in ways that are wholly consistent with WIA's principles of universality, service integration, and local flexibility and control. They reflect as well the extraordinary efforts that early implementation states have made to conform their systems to WIA requirements.

At the same time, the road to full implementation consistent with the principles of WIA is an arduous one and substantial challenges remain. Many of the case-study sites had the advantage of being able to build on gradual progress made over an extended period—in some cases as long as a decade—spent in consolidating workforce development agencies, developing broad policy boards, and building integrated service delivery systems. Even with this headstart, most of the case study sites were still putting in place major portions of their WIA systems and refining other aspects of their service designs and delivery arrangements.

As part of the work that remains, the case-study sites will need to expand and enrich the menu of available core and intensive services for adults and dislocated workers. The case-study sites appeared to be energetic in developing self-service tools for the delivery of core services, but they appeared to be somewhat cautious about developing group workshops and individual counseling sessions to provide staff support to help customers set career and employment goals and develop individualized training and service plans. It would thus appear that many sites need to think more about how to provide "light touch" staff support to users of core services.

Another service design challenge posed by WIA is how to design and deliver intensive services that are broad enough to meet the needs of varied clients. The wide range of circumstances and potential needs of One-Stop system customers creates a need for the staff providing intensive services to have extensive knowledge of labor markets, occupations, and vocational counseling skills, as well as the ability to access a rich array of community services for customers through referral linkages. The local One-Stop systems we visited had not yet given much thought to identifying how multiple funding streams could be woven together to support the delivery of a broad menu of intensive services to One-Stop customers.

Another remaining challenge that our case-study sites will face is in clarifying the relationship among One-Stop partners. As we described above, the sites we visited were often still working out the details of how local One-Stop partner agencies and One-Stop operators would work together to provide core and intensive services to One-Stop customers. In some sites, service planning teams with representation from multiple partner agencies had worked together to develop an integrated menu of core and intensive services, and had decided how each agency would contribute to the cost and the staffing of customer services. More often, there was an integrated plan for the delivery of core services, but delivery of intensive services remained the separate responsibility of each of the participating partners, each of whom maintained its own distinct menu of intensive and training services. More specifically, among the details that needed more attention in the process of building a seamless service delivery system in most sites were questions about (i) how to design a unified process to ensure that all One-Stop customers will be able to access all core and intensive services for which they are eligible; (ii) how staff from different programs and agencies will be cross-trained to understand the variety of services available within the Center and how to help customers access all available services; (iii) how the costs of providing services to One-Stop customers will be divided among the participating partners; (iv) how information will be collected and shared about individuals who are served by more than one funding stream; and (v) how enrollment, case management, and reporting responsibilities will be shared among programs and agencies that serve the same individual simultaneously or sequentially. State and local respondents pointed out that many of these implementation challenges are made more difficult as the result of what they perceive to be the inadequate integration of workforce development systems at the federal level, which has left state and local partners responsible for meeting a number of different—or even conflicting—regulations, reporting requirements, and performance expectations.

States and local areas must overcome these challenges while accustoming themselves to new roles in the overall workforce system. The Workforce Investment Act calls for a transformed relationship between the federal government and the states in the development of goals and objectives, service delivery designs, and accountability procedures for workforce development programs. Many of the details of program design and operation that were spelled out in detail at the federal level in previous programs are left to the discretion of the states under WIA. One objective of this increased flexibility and discretion for states is to ensure that the programs developed by each state will be responsive to variations in local economic conditions, political priorities, and customer needs.

Similarly, it appears that a majority of State Boards (if the six early implementation states accurately represent the national experience) have decided to defer a number of key program design and implementation features to Local Boards. This may be due in part to the inability of the early implementation states to provide detailed policy guidance to local areas within the available implementation timeframe, but also because of their philosophical commitment to support local flexibility and discretion to the maximum extent.

In any case, the states and local areas we visited were not yet entirely comfortable with their new roles and relationships. Thus, state and local respondents frequently said they would have liked more guidance from the level above them on how to interpret the legislation and how to shape their One-Stop system. However, this was largely because they were afraid that the offered discretion was not real. For example, state respondents feared that after they went about developing their state-driven system, the federal government would criticize their design and come up with reasons why it was not allowable. Similarly, local respondents often felt that their states had not provided enough leadership on what local One-Stop systems should look like. Over time, both states and local areas are coming to realize that much of the flexibility and discretion offered by the Workforce Investment Act is real and are beginning to appreciate their ability to shape their system to meet state and local needs.

Another challenge that our case-study sites will need to surmount is improving employer services and the level of employer involvement in the One-Stop system. In the customer-driven system envisioned under the Workforce Investment Act, employer services provided by One-Stop system partners should meet the needs of employers around a broad range of business development and workforce development issues,

including finding qualified workers for new job openings; improving the skills of job seekers and incumbent workers; and coordinating local workforce development, business development, and economic development strategies. Most of the early implementation states and local areas realized that they still had a long way to go before their employer services achieved the high visibility and reputation for quality services with the business community that they wanted.

Finally, the early implementation states and local areas will need to be concerned with the continued development of information sharing agreements and data systems to support the delivery of seamless services to One-Stop customers as well as the reporting and performance requirements of individual programs and the One-Stop system as a whole. A number of the case study states have taken on the important responsibility of developing and maintaining the electronic databases and automated information systems that will support self-access customer services as well as system accountability and reporting. Although substantial progress has already been made in developing these state systems, the systems were not yet fully operational in a number of the case-study sites. Several local areas we visited were dubious about the ability of their states to provide them with the "just-in-time" information that they would need to manage local workforce development systems on a daily basis.

Based on the experiences of the early implementation states and local areas documented in this report, and the results from the WSIE tracking system on implementation progress across all states, we expect that states and local areas will face significant challenges as well as make impressive progress in operating under WIA during PY 2000. The examples offered by the early implementation sites should help inform the states and local areas currently building their WIA systems. First, information about the early implementation sites can help other sites understand that implementing WIA is likely to be a time-consuming and labor intensive process. Second, states and local areas should be able use information about the possible variations in governance and service delivery models as they decide how to design their own workforce development systems under WIA. Third, examples of how other sites are designing, implementing, and overseeing customer-driven job-seeker services, employer services, and year-round comprehensive youth services should be especially useful to sites as they refine these important system elements.

The process of developing broad governance structures, coordinated/consolidated workforce development agencies, and systems offering seamless customer services may

take significantly longer than expected to mature, particularly in states and local areas without a long history of gradual progress in system integration to build on. It is possible to implement WIA on a "fast track"—as demonstrated by one of the early implementation states that had been relatively late beginning One-Stop planning and implementation—but only as a result of strong support by the governor and full mobilization of the leadership and staff of the participating agencies and interagency planning teams during the transition period. It will be important that states and local areas approach WIA implementation with realistic expectations about the significant length of time that will be needed to complete a system transformation and the high level of investments that may be needed—in developing a shared infrastructure, an integrated menus of services, and coordinated staffing—in order for the transformation to be completely successful.

Local areas and states that are looking for guidance about "the correct way" to implement WIA can learn from the experiences of the early implementation states and local areas that there is no single right way to go about WIA implementation. States observing the experiences of the early implementation states can observe a broad range of state leadership styles—ranging from some governors, state legislatures, and/or State Boards that have been highly involved in WIA planning and system development and others that have deferred most decisions to Local Boards. Local areas observing the experiences of the case-study sites can realize that WIA offers considerable flexibility to local areas in organizing the governance of WIA systems and the delivery of WIA services.

Perhaps the most effective way to support the development of local systems tailored to the needs of local areas is for DOL, states, and local areas to participate in sharing examples of different models for the governance, management, delivery, and oversight of the services available through One-Stop career systems. These models will illustrate how different sites have selected a wide variety of entities as One-Stop operators, arranged for One-Stop operators and agency partners to play a wide variety of roles in delivering core and intensive services, and begun identifying how different programs can contribute to the costs of developing and operating One-Stop career centers. Thus, creating peer networks and sharing information about emerging models should help sites to meet their challenges.

I. INTRODUCTION

Social Policy Research Associates (SPR) and its subcontractor, Technical Assistance and Training Corporation (TATC), were awarded a contract in late June 1999 by the U.S. Department of Labor (DOL) to conduct the Evaluation of the Implementation of the Workforce Investment Act (WIA) of 1998. The evaluation consists of two components: 1) a process study of selected states and local areas as they move to implement WIA, and 2) a periodic tracking system of all states' progress toward establishing WIA's required components. This report represents interim evaluation findings drawn from both these components. In this chapter, we first present the context for the evaluation by identifying key themes of WIA and laying out a conceptual framework for understanding states' and local areas' roles in implementing them. We next present an overview of the data collection that occurred as part of the evaluation, which was designed to investigate the WIA implementation experience at the state and local levels. The chapter concludes with a roadmap for the rest of the volume.

BACKGROUND

The WIA legislation constitutes an important overhaul of the nation's structure for delivering employment and training services that in many ways represents a fundamental departure from past practices. Among its overarching tenets, WIA allows for substantial state and local flexibility, so that emerging systems can best meet the needs of their communities. Within this framework, the legislation calls on states and local areas to establish streamlined One-Stop service delivery systems that will integrate resources available from a multitude of separately funded programs. In this way, customers can benefit from a service delivery structure that is less bureaucratic and more oriented to their needs. WIA also emphasizes universal access to employment and training services among adults, so that anyone who wants assistance relating to job search or career planning should be able to receive it. This approach stands in marked contrast to the Job Training Partnership Act (JTPA), a program that WIA replaces, which generally required both youth and adults to be certified as income eligible before receiving services.

Empowering individuals to take control over their own career planning represents another key tenet that underlies the WIA approach to services. Thus, rather than

emphasizing clients as dependent on job training professionals to direct their career planning, WIA redirects the focus to put customers in the driver's seat. According to this new vision, customers are given responsibility for establishing their own career goals and have new options with respect to the services they access, the training they want to undertake, and the vendors available to provide training to them. Staff, conversely, are placed in the support roles of providing guidance and information that will enable customers to make wise choices, and ensuring that appropriate resources are made available to them so that their goals can be realized.

Youth programs also receive special emphasis. Along these lines, the legislation folds together summer youth and year-around programming. It also places a clear emphasis on comprehensive service strategies, including follow-up services, and requires input on youth programming from local experts.

DOL promoted these objectives by formulating new regulations that were developed in consultation with states and local areas. These regulations were designed to be much more flexible and empowering than the regulations they replace and, in keeping with WIA, call for the establishment of new administrative and service delivery structures. For example, in keeping with WIA, the federal government and states share the role of providing guidance to the local areas, but local areas for their part retain substantial discretionary powers to shape service designs and practices to meet local community needs. A new system of accountability will be put in place that emphasizes customer satisfaction for both employers and job seekers, and that stresses the importance of continuous improvement to build a "world-class" service system. A service delivery structure built on One-Stop Career Centers is also mandated by the legislation and regulations, so that customers can access a broad range of services to meet diverse needs at a single location. In addition, a tiered approach to adult services will be implemented, whereby services will begin with help in finding employment and will increase in scope and intensity as the need for additional services is documented.

Motivations for the Legislative Reform

WIA was enacted in response to a variety of concerns about how employment and training programs were designed and operated. Among these concerns, it was noted that a multitude of employment and training programs—including those operating under the Job Training Partnership Act (JTPA), Vocational Rehabilitation, Adult Vocational Education, the Trade Adjustment Assistance Act, the Job Service, and a variety of welfare-to-work funding streams, to name just a few—operated often without effective

coordination or collaboration. The resulting system, it was feared, resulted in redundancies and inefficiencies and confronted customers with a confusing maze of programs through which they found it difficult to navigate.

Second, JTPA services were limited to those who met narrowly circumscribed eligibility criteria, meaning that access to even basic career planning tools was sharply restricted. As the U.S. workforce development system moved towards a One-Stop service delivery system over the last several years, these eligibility restrictions caused awkward problems regarding sources of funding and staffing support.

Third, for those undertaking training, choices among courses of study and available providers were often limited to a preselected vendor or set of vendors with which the local workforce program had worked out prior agreements. Moreover, information about the performance and costs of different providers was extremely hard to come by, making it difficult for both customers and case managers to make wise choices.

Finally, the accountability system under JTPA often focused primarily on avoiding poor performance rather than on achieving "world class" standards. Moreover, programs that operated under funding streams other than JTPA often had no accountability system based on outcomes at all. Ensuring accountability under such circumstances, let alone striving for high performance, was thus often difficult.

Key Principles of WIA

WIA was designed to address these problems, among others. In doing so, DOL has identified seven key principles that could be said to underlie the legislation.

- *Streamlining services through integration*. WIA builds upon the implementation of a One-Stop delivery system so that multiple employment and training programs will show a common face to the customer. Towards this end, the legislation identifies a wide range of *required partners* who must make services available through One-Stop Career Centers, including programs authorized under Title I of WIA, Employment Service programs authorized under the Wagner-Peyser Act, adult education and literacy programs authorized under Title II of WIA, vocational rehabilitation programs authorized under Title I of the Rehabilitation Act, and others.
- *Empowering individuals*. WIA allows customers meaningful choices about when and where they receive services and how much staff guidance they need or want. It seeks to achieve this goal by providing

for self-access services and by transforming the delivery of training services to adults and dislocated workers through the use of Individual Training Accounts, or ITAs.

- *Universal access*. Through the One-Stop system, every adult will have access to employment-related services, including Wagner-Peyser services and core WIA services. These core services will be supplemented with intensive and training services, which can be provided to adults and dislocated workers who cannot obtain employment or achieve self-sufficiency through services on lower tiers.
- *Increased accountability*. WIA introduces an enhanced focus on accountability, customer satisfaction, and continuous improvement, intended to hold states accountable for the performance of their workforce investment systems.
- *Strengthened role for Local Boards*. Local Workforce Investment Boards are the primary governing body of the local workforce investment system. Responsibilities of the Local Board include developing the local plan in cooperation with the chief elected official, selecting One-Stop operators and youth providers, and identifying eligible providers of training services and of intensive services.
- *State and local flexibility*. WIA is intended to substantially enhance state and local flexibility in designing and operating workforce development programs. Several provisions of WIA promote this, such as by providing greater flexibility in how funds are used and expanding the availability of waivers.
- *Improved youth programs*. To improve youth services, WIA calls for the establishment of a Youth Council as an adjunct to the Local Board, which is to be responsible for developing plans for and coordinating youth activities. WIA also calls on states and local areas to enhance the effectiveness of youth services by requiring strong linkages between academics and occupational learning, adult mentoring, and follow-up services. WIA also authorizes the funding of Youth Opportunity Grants, which are intended to increase the long-term employment of youth in empowerment zones, enterprise communities, and other high poverty areas.

Conceptual Framework

As the above discussion suggests, WIA represents a dramatic reform in the ways in which employment and training services will be designed and delivered, with potentially important implications for the types of clients who are served and with what kinds of services. Moreover, the WIA legislation is prescriptive only with respect to the general guidelines regarding implementation and deliberately intends that States and

Local Boards should be granted substantial discretion in designing the systems that they feel best meet the needs of their communities. Thus, there might be substantial variability in the ways in which, or the extent to which, DOL's key tenets for WIA are realized.

To guide the evaluation effort in documenting and understanding this variability, we have developed a heuristic model of WIA service delivery, which is presented in Exhibit I-1. This model serves as the foundation on which our data collection is based. The box on the left of the diagram depicts contextual factors that will influence WIA implementation at the state and local levels, the middle box depicts state and local design and delivery mechanisms, and the boxes on the right represent expected improvements in performance and outcomes.

Context for Implementation

The WIA legislation carves out important and clear roles for federal, state, and local actors. The fact that these various levels of WIA governance are so closely intertwined is depicted schematically by the intersecting circles in the exhibit. Thus, broad policies and guidance are established at the federal level, in WIA's implementing regulations, other directives, and capacity building and technical assistance efforts. In turn, the states respond to this guidance and develop it still further based on their own concerns and priorities, providing further specificity to local areas about service design and delivery and ensuring that accountability mechanisms are firmly in place. In turn, the local areas use the substantial remaining discretion that is reserved for them in the legislation, by formulating additional policy directives that incorporate their local concerns and their communities' needs. Moreover, local concerns and needs in turn are conveyed upward through the system to impact state guidance, and state concerns filter upward to the federal level in like fashion. This model of intersecting circles thus conveys the image of a dynamic and steadily evolving system that involves sets of actors that work in partnership with each other to generate continuous program improvements.

The box at the left of the exhibit also makes clear that unique factors at each of these levels make their influences felt throughout the system. At the federal level, the WIA legislation itself and the implementing regulations developed by DOL constitute

the broad guidelines within which the system will develop.[1] Of course, the legislation and regulations will not vary, at least over the short-term. Thus, they constitute broad parameters within which WIA will develop, rather than sources of site-to-site variation. Nonetheless, early implementers were forerunners in formulating WIA systems and to this degree were charting new territory, without well-developed models to emulate from other states. This circumstance poses special challenges to their implementation efforts. Similarly, as additional federal guidance is issued over the subsequent years and states and local areas have the opportunity to engage in dialogue and receive training and technical assistance, systems developed by state and local workforce investment boards can be expected to evolve in important ways. Because we will be undertaking multiple rounds of data collection, we can learn about these system developments.

As the exhibit makes clear, contextual factors at the state and local levels will also be important. Among these are previous experience under JTPA, Wagner-Peyser, and the One-Stop initiative. Although WIA is intended to represent systemic reform, structures that were previously established will doubtless exert a strong residual effect. For example, there may be strong pressure, particularly at the outset, for workforce investment areas to mirror JTPA's service delivery areas. Similarly, state and local governance structures and partnerships that were previously forged will doubtless carry over, at least to some degree.

All states and many local areas also will have some prior experience in establishing a One-Stop service delivery system, through One-Stop implementation grants that have been disbursed in a series of funding cycles over the past half decade. By virtue of these grants, some areas will have made substantial progress in transforming their service delivery system along the lines mandated by WIA, including by forging strong partnerships, developing a new service infrastructure, introducing core services for the universal customer as a service option, and retraining or cross-training staff. This previous experience will give them an important advantage in WIA implementation.

Other state and local factors that will be important include the socioeconomic climate and other characteristics of the local area, including the nature of available job opportunities, the extent of recent plant closings and other displacements, the size and

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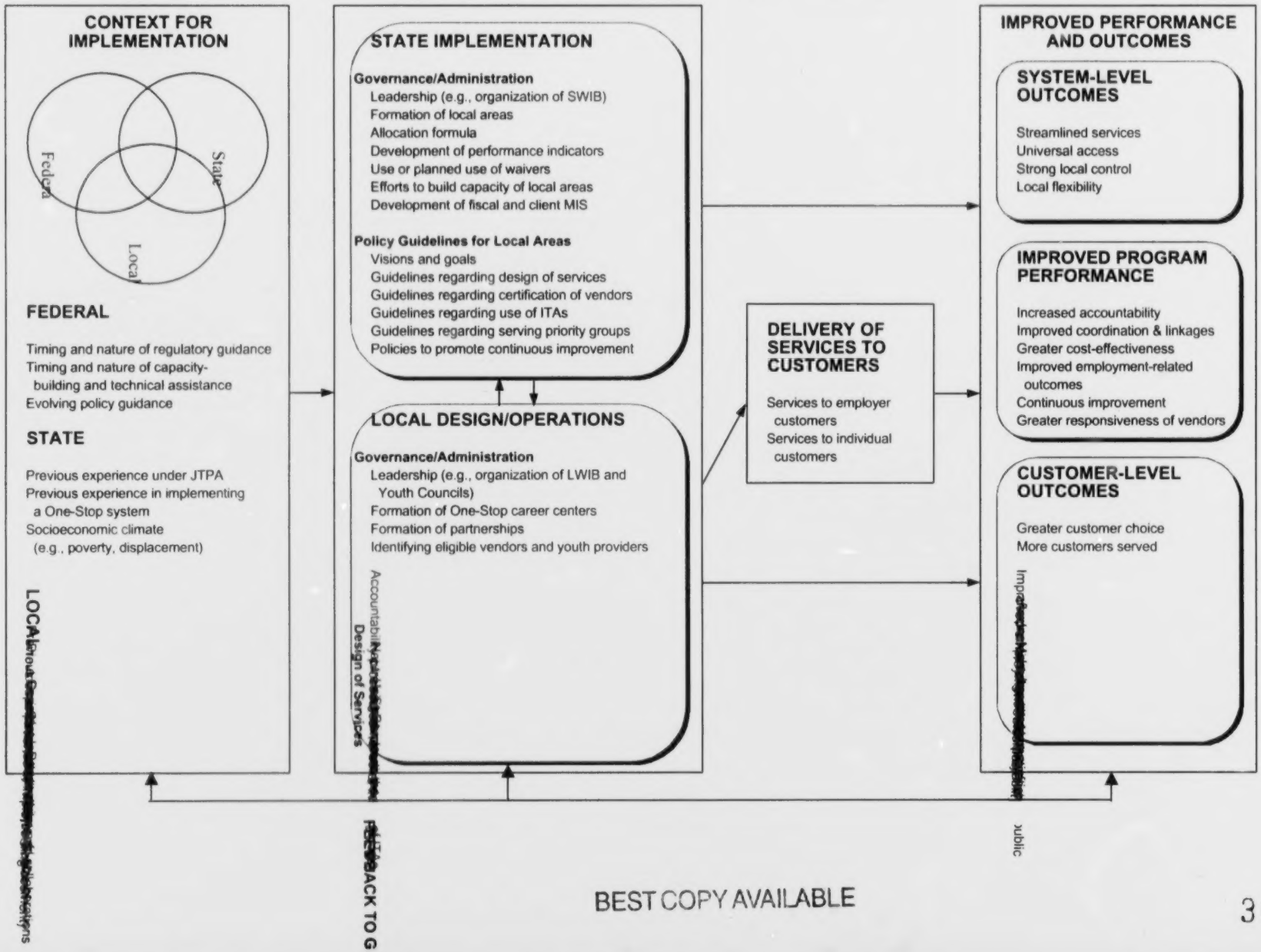
[1] Although WIA Final Regulations were not published until August of 2000, Interim Final Regulations were issued by DOL in April of 1999 and had the full force of law.

diversity of the TANF caseload to be served under welfare-to-work efforts, the service needs of the local population, and the types and nature of local providers of training and youth services. All these circumstances can be expected to influence decisions regarding the design and delivery of accountability systems and services.

State Implementation

The contextual factors just described constitute important influences on the ways in which WIA implementation unfolds at the state level, which are in turn denoted in the box to the right of the contextual factors in Exhibit I-1. Under the WIA legislation, states

Exhibit I-1
Conceptual Framework of WIA Implementation



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are given substantial authority to establish guidelines for the local workforce investment areas. They can begin to exert this influence only after establishing appropriate state governance and administrative structures. For example, we expect that providing strong leadership, through the state workforce investment board and other policy-making bodies, will be essential to ensure a smooth transition under WIA, just as it is for any organization undertaking systemic change. Similarly, how the various state partner agencies work together will be important for setting the tone for how the process of collaboration unfolds at the local level.

Governors also have discretion in forming local workforce investment areas and in developing a formula for the disbursement of funds, within the parameters imposed by the legislation. They also must work to develop performance indicators, for the state as a whole and its constituent local areas, including which performance indicators should be used beyond those specified in the legislation and what levels of performance should be expected. To support accountability, states also must develop and help support fiscal and client management information systems.

An additional state role will relate to training and capacity building. The WIA legislation makes clear that, at their discretion, states can use their WIA funds for these purposes, including providing assistance and training to One-Stop operators, One-Stop partners, and eligible providers. The types of assistance that is provided as it relates to implementation issues can clearly be expected to influence the service delivery process.

With respect to governance and administration, in an expansion on their previous authority, states also may petition DOL for waivers of both statutory and regulatory provisions of WIA, or for waiver authority (i.e., Work-Flex). Whether they use this authority, for which provisions, and for what reasons will clearly be important, because of their expected influence on the implementation and operation of WIA at the local levels.

In addition to their governance and administrative roles, states will also play a key role in setting policy guidelines, which the local areas will then be expected to follow. As an overarching framework for this guidance, states will communicate a vision and set of goals for their WIA systems. These goals will be communicated in part through the accountability system that is established, and also through technical assistance and more specific policy pronouncements.

State policy guidelines might relate to the design of services, such as the composition of core, intensive, and training services that local areas will be expected to make available to One-Stop customers. States have an important role in setting guidelines for the certification of vendors that can be used for training services and for their local workforce investment areas' use of Individual Training Accounts (ITAs). Along these lines, they need to establish procedures for local areas to use in determining the initial eligibility of providers. Governors additionally can develop performance criteria beyond those specified in the law and should set minimum levels of performance for subsequent eligibility.

Additional states' responsibilities with respect to the certification process include developing monitoring and enforcement procedures, to ensure, for example, that providers report information accurately and comparably. Similarly, procedures must also be developed for sanctioning providers who report inaccurately or whose performance slips below specified thresholds. Finally with respect to certification, the state will maintain and update the state-approved list of eligible training providers and disseminate the list along with each provider's performance and cost information. States may vary in the procedures they establish for these purposes, including how Local Boards (and potential trainees) access the list, how the list is updated, the ways in which performance and cost information is conveyed to allow meaningful comparisons across programs of different types, and so on.

Further, states can set limits on the types, costs, or duration of training that will be funded. Under the ITA system, prospective trainees are awarded vouchers that can be used to procure training services. But the regulations make clear that states can place restrictions on the types of training that is considered fundable or limit the duration or costs of the training that is undertaken. Presumably, states may go about establishing these restrictions in different ways. For example, upper bounds on either the length of training that will be supported, or the costs incurred, or both, may be established. Or ranges may be established that vary for customers with different training needs or who are undertaking training of different types (e.g., different fields of study). Similarly, time limits might be established, restricting the period of time over which trainees can access funds in their training accounts. An important objective of the evaluation will thus be to understand how and why these decisions were made and to track through their implications for the design and delivery of training services at the local level and from the standpoint of ensuring customer choice.

Finally, WIA makes clear that states must be attuned to the importance of promoting continuous improvement. This should entail something more than incrementally increasing expected levels of performance on core indicators, but instead should imply developing a process for implementing systematic improvements throughout the state and local areas to build dynamic and high achieving service systems.

Local Design and Operations

Within the broad guidelines established at the federal and state levels, local areas have substantial remaining flexibility to shape their WIA programs to meet their local needs, as denoted in the next column in Exhibit I-1. Local areas must first devise their own governance and administrative structures, to parallel those developed at the state level. Among the first steps, will be establishing local workforce investment boards and Youth Councils. The Local Board, in consultation with the chief elected official, will then select an operator for the area's One-Stop Career Centers. How these Centers are formed and how their operators are chosen will be important issues for the evaluation. For example, One-Stop operators may include postsecondary institutions, the employment service agency, a government agency, or a community-based organization. However, they may also be a private for-profit organization. Which type of entity is selected can be expected to impact the emphasis placed on different sets of services.

As part of the process of establishing One-Stop Centers, Local Boards will also develop a memorandum of understanding with a wide variety of required partners, and may do so as well with additional optional partners. How these memoranda are developed and how the services authorized under the separate funding streams are jointly leveraged to streamline services, consistent with the principles of WIA, will be important facets of the evaluation. Similarly, the separate roles of each partner must be properly identified.

With respect to governance and administration, local areas are also responsible for determining which vendors are eligible to provide classroom-training services for adult and dislocated workers, consistent with the state plan. This will require applying the performance criteria developed by the Governor, or additional criteria developed by the local area, to local provider applicants, and identifying whether, with state approval, circumstances warrant making exceptions to the use of ITAs, as allowed by law (e.g., because there is a dearth of local providers in the area or because the Local

Board decides to enter into a contract with a provider of demonstrated effectiveness in serving special populations). Similarly, local areas are responsible for identifying providers of youth activities by awarding grants or contracts on a competitive basis. The types of providers that result from these selection processes will have important implications for the types of training that participants seeking training services can access.

As part of program administration, local areas will also be responsible for tracking and striving for high performance on the criteria identified in the state plan. Similarly, it will be important to learn about their procedures for fostering continuous improvement, both in system design and service delivery and with respect to their achievements on WIA's core indicators and customers' satisfaction.

Critical to the evaluation effort will be understanding what types of customer services will result from these intersecting federal, state, and local policies and structures. WIA mandates a tiered approach to service delivery for adults and dislocated workers, consisting of core services, intensive services, and training services, and suggests that participants should move through these tiers in sequence. But these strictures leave substantial room for local area variation in the precise composition of the service tiers and how participants flow through the system.

For example, how the boundaries between the tiers are drawn might vary. These decisions have important implications for service delivery, because the legislation suggests that adult or dislocated worker participants should move up to a higher service tier only after they have received services at the immediately lower tier without being able to achieve their employment goals. In fact, it has implications as well for who becomes defined as a participant, because not all lower tier services (e.g., core services accessed without staff assistance) will require enrollment in the system. Similarly, local sites have discretion in determining how priority in access to training services will be established for public assistance and other low-income individuals, consistent with the legislation.

Similarly, with respect to services, local service designs may include strictures on the use of ITAs for training services, which can be imposed either by the state or the local level, or both. These restrictions can relate to the length or cost of training that will be funded, or the areas of training for which job opportunities are deemed to be unavailable. These decisions can be profoundly important in determining the nature of

training services that are accessed, but must still be consistent with the principle of fostering customer choice.

Improved Performance and Outcomes

Finally, the column on the far right of Exhibit I-1 identifies the presumed outcomes of the WIA system. These include system-level outcomes, relating to streamlined services that come about through the integration of the delivery of services authorized under separate funding streams. Universal access is another key feature for adult programs funded under WIA, with the legislation's requirement that core services should be made available to all who choose to access them. Strong local control and local flexibility are also implicit in much that has been discussed thus far, as states and local areas formulate policies and procedures that they feel are most appropriate for the communities.

Improved program performance also represents an intended outcome of the system. A key tenet underlying WIA is that strong accountability should ensue, including accountability at the state, local workforce investment area, and vendor levels. With its emphasis on partnerships and the One-Stop approach to service delivery, improved coordination and linkages should result, with presumed implications for greater cost effectiveness. All these features should result in heightened program performance, including improved employment-related outcomes for participants, a greater responsiveness of vendors to the training needs of participants, and a system that results in continuous improvement over time.

Finally, customers should realize benefits from these changes. In keeping with the key tenets of WIA, these benefits will include greater customer choice, as persons who access services have discretion in directing their own career search in core services and in selecting training areas and training providers if they access training services. With greater cost-effectiveness and universal access should come increases in the numbers of customers who are served, with hopefully improved outcomes for them, including employment-related success for adults and youth, improved preparation for further schooling and training for youth, and increased customer satisfaction for both groups. Employers are also viewed as key customers of the system, and their access to a well-trained workforce should be enhanced as well. Finally, to the extent that all customers realize improved outcomes and the system itself operates more effectively and efficiently, an improved public perception of employment and training programs as worth the expenditures of taxpayer dollars should come about.

KEY ISSUES FOR THE EVALUATION

The conceptual framework just described logically gives rise to key research issues that the evaluation must address. Very broadly, these relate to documenting and assessing WIA implementation progress, identifying implementation problems and barriers, describing different state and local system-building approaches and patterns, and describing emerging One-Stop systems. These issues will frame the detailed examination and review of WIA implementation as part of the evaluation.

Problems and strategies associated with WIA implementation along the lines discussed above can be associated with various facets of system-building. These have been organized into the following dimensions or categories, which constitute an organizing framework for the data collection and analysis, and for this volume:

- The transition to WIA. How does the pre-existing context (e.g., existing governance structures, the One-Stop system) impact implementation progress? How do states and local areas envision moving to a WIA environment for their employment and training efforts?
- Program administration and governance. What decisions are being made with respect to the administration of the program, such as the formation of State and Local Boards and the selection and chartering of One-Stop Centers and operators? How are Centers managed? How are partnerships being forged and how effectively are they working in tandem, to further the goal of streamlining service delivery?
- The design and delivery of services. How are services being designed and delivery to further the goals of WIA, including empowering customers and promoting universal access? How do adults and dislocated workers flow through service tiers? What services are being developed for employers and youth?
- Program administration and support. What performance accountability systems are being established to ensure that states and local areas are accountable? What management information systems are being developed? What provisions are being made for capacity building?

These general research issues, which were developed much more fully in the evaluation's Design Report, have guided the project's research design and methods.

DATA COLLECTION AS PART OF THE EVALUATION

In investigating the issues described above, we have participated in two major data collection activities: 1) site visits to a selected sample of states and local areas, and

2) in conjunction with DOL, a quarterly tracking of implementation progress across all states. In the sections below, we provide an overview of the data collection associated with each of these two study components.

Data Collection as Part of the Case Studies

To understand the implementation experience, we will be conducting detailed site visits over the course of the evaluation to approximately sixteen states, and selected local workforce investment areas within these states.[2] Three key features of the data collection plan deserve mention.

1. We will be conducting interviews with both state and local-area administrators, with at least one and, in some cases, two local areas being visited within each state that we select. In this way, we can explore the complex interplay of state and local-level decision making. Moreover, by visiting multiple local areas within some states, we both increase the total number of local areas we visit and also are able to examine issues relating to the intra-state variability in implementation practices.
2. Our site visits will be conducted over approximately a three-year period, with some—the ones already completed—occurring in PY 99, and others scheduled for PY 2000 and PY 2001. This approach provides a view of the implementation experience as some systems were just being put into place and after others had benefited from several years of development
3. Some states and local areas will be visited once over the three years of the evaluation, while others will be visited twice. Using project resources in this way strikes a balance between ensuring that we visit a representative number of states, while also giving us the opportunity, through return site visits, to observe how the same workforce systems develop and mature over time.

Given the available project resources, we believe that this strategy strikes the proper balance between competing project objectives, and ensures that issues relating to inter-state variability, intra-state variability, and changes over time can all be examined.

Case Studies Covered in the Interim Report. This Interim Report draws on observations we have gleaned from the first round of site visits, which occurred in late 1999, through the summer of 2000. These visits were conducted to the states of Florida, Kentucky, Pennsylvania, Texas, Utah, and Vermont. At the time they were selected, in early fall of 1999, these six states were identified by DOL to be early

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[2] This number assumes that DOL exercises an option year on the existing evaluation contract.

implementers under WIA and were projected to have the earliest dates of full implementation when compared with all other states.[3] In selecting these states, we were endeavoring to capture the early implementation experience in the first round of site visits. We also note that this sample represents a good regional balance, includes some states with single workforce areas as well as others with multiple areas, and some that are primarily rural and others that are primarily urban.

Our data collection plan called for us to visit one local area from three of the states we visited in PY 99, and two local areas from the remaining three states. Of the six states selected for site visits in PY 99, two, Utah and Vermont, will operate with single statewide workforce investment areas, so obviously these were two of the three states in PY 99 where only one workforce area was visited. Kentucky was selected as the remaining state where one local area was visited, because it has a much smaller population than the remaining three states. By implication, Florida, Pennsylvania, and Texas were asked to entertain visits to two local areas each.

Pennsylvania agreed to serve as the pilot site-visit state. Because it was the pilot, we wanted to ensure that the two local areas we visited within it included both urban and rural areas and would be able to accommodate our site visit with very short notice. In conjunction with officials at the state level, we therefore agreed on Three Rivers and the Northern Tier as the two local areas to be visited in Pennsylvania. In the remaining states, we randomly selected local areas proportionate to their size, on the grounds that this strategy would ensure unbiased sample representation and reflect how the average WIA dollars were being spent.

Using these decision rules, the local workforce areas that we selected for site visits in PY 99 are displayed in Table I-1.

The Case Study Data Collection. For each of these state and local areas, we spent three days at the state level and three days at each local level engaged in data collection to cover the broad range of relevant issues associated with WIA implementation that are the focus of our study, including:

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[3] Implementation was delayed in some of these six states beyond the projected date of full implementation, so that in fact other states ended up with earlier dates of full implementation than some of these six.

- The transition from previous workforce development programs to WIA programs and the vision for the new system.

Table I-1
Local Workforce Areas Selected for Site Visiting in PY 99

State	Local Areas Selected
Vermont	Single LWIA in state
Pennsylvania	a) Northern Tier b) Three Rivers
Florida	a) Dade and Monroe b) Polk County
Kentucky	a) Cumberlands
Texas	a) Dallas b) East Texas
Utah	Single LWIA in state

- The development of new state and local governance structures and service delivery arrangements, and other organizational, procedural, and governance issues associated with WIA implementation, including the development of partnerships.
- New service offerings, client flow procedures, and patterns of service utilization.
- Administrative oversight and support, including capacity building, performance accountability, and MIS systems.

As part of the study of WIA implementation, we were naturally interested in the development of coordination and linkages between WIA-funded programs and mandatory and optional partner programs, as is reflected in the discussion above. However, because the National School-to-Work Office had a particular interest in exploring how school-to-work (STW) systems were aligning with emerging WIA systems, we devoted special attention to this aspect of partnership building.

In gathering data to address these issues, we conducted observations, reviewed documents (e.g., state and local plans), and interviewed a wide range of respondents at the state and local levels, including:

- *Selected members or staff of state and local workforce investment boards*, about issues relating to the formation of the board, the transition from previous state policy boards, and the board's experiences to date in setting policies for and overseeing the workforce investment system.
- *Key members of interagency WIA planning teams* that have worked on preparing the new system for implementation.
- *Representatives of the key workforce development partner agencies* (e.g., the Wagner Peyser program, Title I adult, youth and dislocated worker programs, the Vocational Rehabilitation program, and the Welfare-to-Work program) about their experiences in joining the WIA partnership. Additional discussions were held with state and local STW administrators and planners.
- *Staff responsible for a variety of administrative and support functions* necessary for effective WIA implementation (e.g., those responsible for the consumer report system, for MIS capabilities, etc.).
- *One-Stop career center managers, agency partners, and direct service delivery staff* responsible for the planning, delivery, and oversight of core and intensive services within One-Stop centers, or through electronic access from satellite sites and remote access points, or through linkages with affiliated programs.
- *Discussions with selected customers participating in core services through the One-Stop career center system*, about their experiences accessing services and their opinion of the quality of the services received.

Data Collection as Part of the Systemwide Tracking

As part of this evaluation, we have also assisted DOL in conducting a tracking of states' implementation progress. As part of the tracking, DOL's regional office representatives periodically updated implementation profiles for each of the 50 states and territories, using a 90-item Workforce System Information and Evaluation (WSIE) data collection form. This form, which was developed by a workgroup of DOL national and regional office staff with input from the evaluation team, allows regional representatives to record each state's progress in achieving key benchmarks associated with WIA implementation, such as forming a State Board, designating local workforce investment areas, establishing comprehensive One-Stop Centers, and so on (a copy of the WSIE instrument is included in an appendix to this report). Approximately every six weeks between March 2000 and late October 2000 the evaluation team accessed the database in which their responses were entered, to generate periodic snapshots of

implementation progress nationwide. These data updates occurred March 2nd, April 17th, May 30th, July 10th, August 18th, and October 31st.

ROADMAP FOR THE VOLUME

Results from the WSIE, as well as from the case studies, are described in this report. In conjunction, these data collection activities have given us both a broad look at implementation progress nationwide, as well as a very detailed examination of the implementation experience of selected early implementation states.

In starting off with the broad perspective, the chapter that follows presents results from the WSIE tracking system, based on periodic snapshots of implementation progress across the nation as a whole, measured during the spring through fall of 2000. The purpose of this chapter is to describe how implementation unfolded during the critical period before and after July 1, 2000, when all states were required to operate under WIA guidelines. In laying this groundwork, this chapter provides the context for the subsequent chapters, most of which are based on the case-study results.

Chapter III presents a discussion of the transition experience across our six case-study sites and nine local areas, including how their prior workforce development systems had developed in the years before WIA was enacted, their vision for change, and the challenges they faced in becoming an early implementer. Chapter IV discusses the governance and administrative structures that developed across the case-study sites, at both the state and local areas, including the formation and composition of boards, the development of broad partnerships, and the management of One-Stop centers. Service design and delivery is the focus of Chapter V, including a discussion of core, intensive, and training services for adults and dislocated workers, as well as youth services and employer services. Chapter VI discusses supportive functions, including MIS operations, capacity building, and performance measurement. STW linkages are the focus of Chapter VII, which begins with a brief overview of STW system development in our case-study sites before moving to a discussion of the ways in which emerging WIA systems were able to leverage existing STW systems, and vice versa. Chapter VIII of the report provides some summary interim observations and conclusions. For easy reference, these summary observations are presented in the form of a bulleted list of highlights in Appendix D.

We emphasize that Chapters III through VII are all drawn from the case-study visits to a small number of early implementing states and local areas that occurred

during approximately the first half of 2000. As such, the observations that result represent a *point-in-time* portrayal of WIA systems during an early stage of their development. Doubtless these case-study sites, as all states and local areas around the nation, have evolved considerably since then. Thus, results based on these data, and described in this Interim Report, represent a preliminary look at WIA implementation. This picture will be updated based on additional rounds of data collection to be conducted through the next two program years, which will be described in a Final Report due at the end of calendar year 2002.

II. RESULTS FROM THE SYSTEMWIDE TRACKING

According to the terms of the WIA legislation, all states were to begin implementing WIA by July 1, 2000. The systemwide tracking system was devised to follow the progress towards WIA implementation across the 54 states and territories as this date approached and passed. Accordingly, at approximately six-week intervals from early March through October 2000, DOL staff from each regional office updated the Workforce System Information and Evaluation (WSIE) data collection form for the states in their region, using on-line data entry in a database management system developed and maintained by DOL's Office of Technology Information Systems. These periodic snapshots of the status of implementation form the basis for this chapter.

The WSIE was intended to be completed by regional staff based on information they already knew about the status of implementation progress; i.e., it was not expected that any new or special data collection would be undertaken beyond what information DOL regional staff were already collecting as part of their broad oversight responsibilities. Consequently, items on the WSIE primarily relate to *states'* progress towards implementation, rather than efforts undertaken by *local areas*. The WSIE (a copy of which is included in Appendix A) organizes these items into ten areas, which we have collapsed into the following four major categories: plan development and submittal, organization and governance, service design and delivery, and program administration and support. These constitute the major sections of this chapter.

Plan Development and Submittal

DOL was quite careful in providing guidance for states to follow in submitting their WIA plans.[1] For example, DOL strongly recommends that partner agencies have input into the planning process. As part of the tracking system, we learned which partners had been involved in WIA planning. Based on results from the final WSIE data update, Table II-1 shows that in fact a wide variety of partners have been involved in most states, according to the report of the DOL regional office staff. Thus, the Employment Service has been involved in all states, and staff from Veterans programs, Vocational Rehabilitation, Unemployment Insurance, Adult Education and Literacy,

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[1] These requirements were detailed in the *Planning Guidance and Instructions for Submission of the Strategic Five-Year Plan*, which DOL issued in February 1999; a copy is included as Appendix C.

Table II-1
Agency Involved in WIA Planning

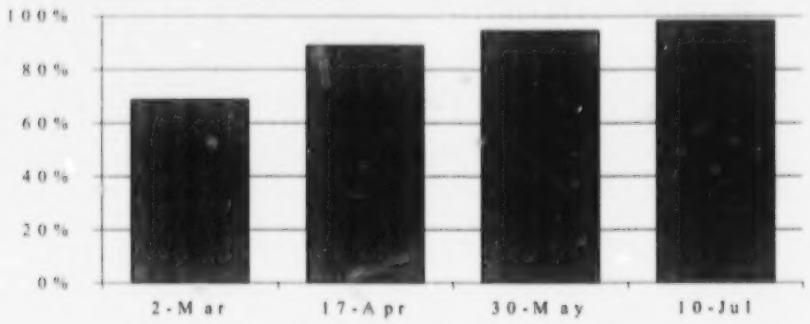
Partner Agency or Program	# of states
Employment Service/Wagner Peyser	54
Veterans programs	53
Vocational Rehabilitation	52
Unemployment compensation programs	52
Welfare-to-Work	51
Trade Adjustment Assistance	51
Adult Education and Literacy	50
Postsecondary Vocational Educ (Perkins)	50
Senior Community Service	46
Community Services Block Grant employment and training programs	45
HUD employment and training programs	39
National Community Service Act	26
Other	23

Note: Numbers represent the number of states or territories (out of possible total of 54) identified as involving the agency/partner in WIA planning. Results are taken from the final WSIE data update.

Welfare-to-Work, Perkins, Trade Adjustment Assistance, and others, have been involved in all but a few states. In fact, at least nine or more of these agencies were involved in WIA planning in 48 of the 54 states and territories.

In keeping with WIA's requirements, the public should also have input into the development of the plan. Exactly when this input occurred provides an indicator of the state of readiness as the July 1, 2000 deadline for full implementation approached. Figure II-1 uses data from the WSIE data updates to present this timeline. As the figure shows, public input had occurred in approximately 70% of the states and territories by March 2, 2000, rose to nearly 90% by mid-April (when PY 2000 plans were due), and effectively reached 100% by the time PY 2000 had begun, on July 1, 2000. Thus, by this measure of readiness, states seemed well prepared to begin operating under WIA rules.

Figure II-1
Timeline for Public Review of State WIA Plans



Note: Bars represent the percentage of the states and territories where there had been public review and comment on the state WIA plan by the dates shown.

As part of the plan development process, states had the option of submitting a unified plan, in accordance with WIA Section 501, for up to 16 federal education and training programs. The purpose in their doing so would be to facilitate and maximize joint planning and coordination. According to the results of the latest WSIE update, 22 (41%) of the 54 states and territories had decided to submit a unified plan. Partner programs/agencies that were included in the unified plans that were submitted are shown in Table II-2. As the table shows, Veterans programs, Trade Act programs, Vocational Rehabilitation, and Unemployment Insurance programs are the most frequently involved with WIA Title I and Wagner-Peyser. Including WIA Title I and Wagner-Peyser, at least five partner programs will be involved as part of the Unified Plan in 16 of the 22 states or territories submitting such plans.

Governance and Administration

In keeping with WIA's emphasis on the devolution of the responsibility for decisionmaking so that communities can shape their workforce systems to meet local needs, both states and local areas have responsibilities regarding governance and administration. Progress that states and local areas have made in carrying out these responsibilities are discussed in this section.

Table II-2
Partner Programs Involved in Unified Plans

Partner Program	# of states
WIA Title I and Wagner-Peyser	22
Veterans programs	20
Trade Act programs	17
Vocational Rehabilitation	17
Unemployment Insurance	17
WIA Title II (Adult Education)	15
TANF and Welfare-to-Work	15
Postsecondary Vocational Education	14
Secondary Vocational Education	10
Food Stamps Employment and Training	11
Senior Community Service Employment	12
Community Services Block Grant	8
HUD training programs	6

Note: Numbers represent the number of states and territories involving the designated partners in their Unified Plans, from among the 22 submitting Unified Plans. Results are taken from the final WSIE data update.

State-Level Progress Towards Implementation

An important task for states as they move towards WIA implementation is establishing a state workforce investment board. In keeping with WIA Section 111, states are allowed to "grandfather" an existing board, so long as its composition "is substantially similar" to the requirements for boards detailed in the WIA legislation. Among the duties that boards have taken on are developing the state plan, designating local workforce investment areas, developing the allocation formula, developing linkages to promote the coordination of services, and, in some cases, establishing a state Youth Council to engage in planning for youth services. In establishing local workforce investment areas, states may choose to adhere to service delivery area boundaries that had been established under JTPA, or designate new areas with new boundaries.

Table II-3 shows how some of those issues where discretion is allowed have been resolved. Across the 54 states and territories, one-half have chosen to grandfather an existing State Board, while a new board was established in the remaining cases. Of course, where a new board has been established, a majority of board members must be representatives of business, as required by WIA. However, because some boards have been grandfathered, majority business representation characterizes only 45 of them (or 83%).

Table II-3
Elements of State Administration under WIA

Has State Board been grandfathered?	
Yes	27
No	26
Are majority of Board members representatives of business?	
Yes	45
No	9
Has a State Youth Council been established or is one planned?	
Yes	30
No	24
Do any local area boundaries in state differ from SDA boundaries?	
Yes	24
No	30
Number of local areas established	
Under JTPA	623
Under WIA	598

Note: Except for the final tabulation, numbers represent the number of the 54 states and territories for which the attribute applies (does not apply). For any given item, sums may total less than 54 due to missing data. The final tabulation shows the aggregate number of local areas that were established under JTPA/WIA in the nation as a whole.

Elsewhere, the table shows that over one-half of the states have established state Youth Councils, even though they are not required to do so. This fact presumably reflects the important lead role that these states envision playing in developing and coordinating youth policy.

Finally, just under one half of the states and territories have reconfigured at least some of the boundaries of their local areas compared to the boundaries of their service delivery areas under JTPA. Overall, the reconfiguration has led to a modest reduction of local service areas, as approximately 620 areas were identified under JTPA, while 598 will be established under WIA for the 54 states and territories covered by the WSIE.

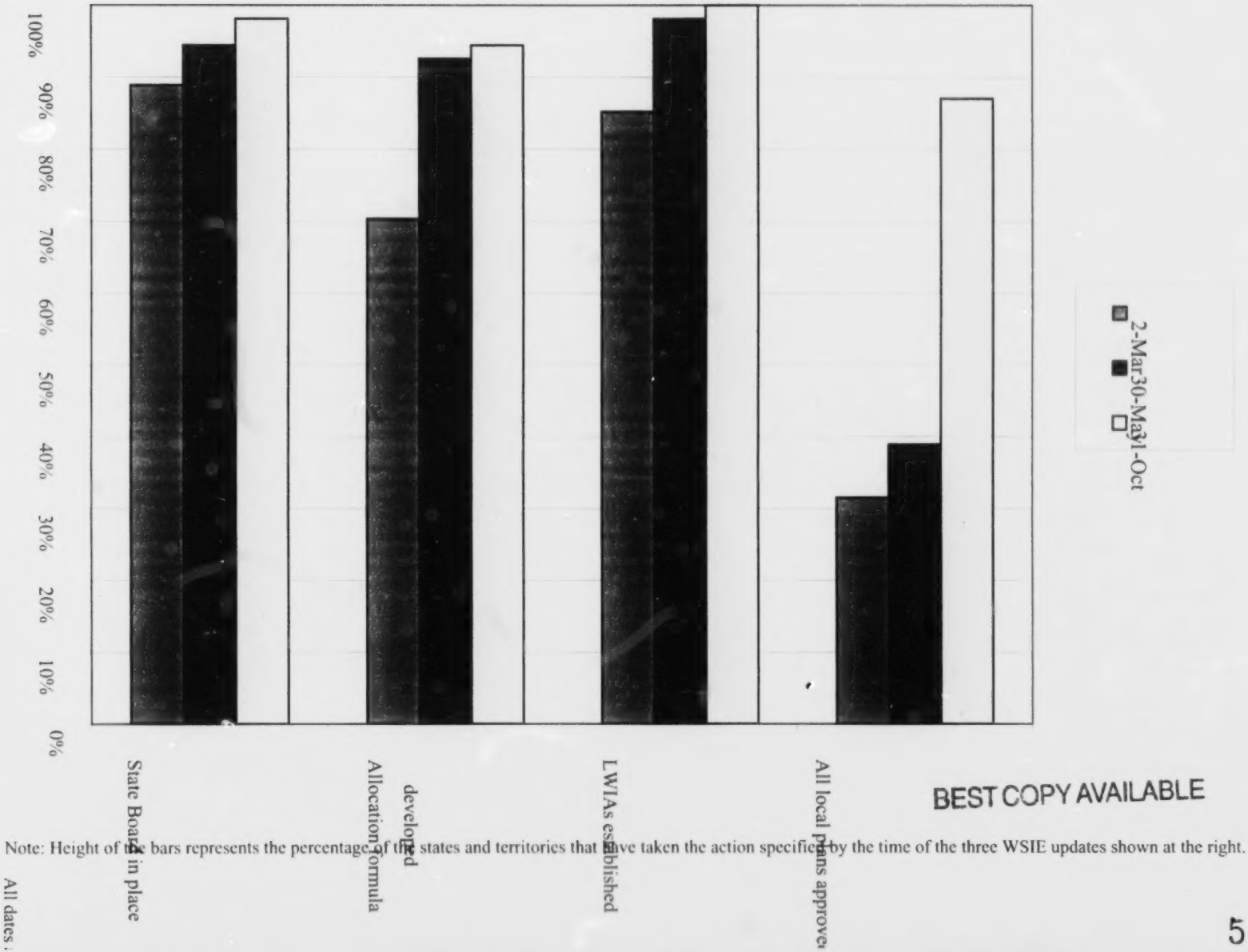
By comparing successive waves of the WSIE over time, we can also profile the timeline according to which states succeeded in accomplishing major objectives associated with WIA implementation. These timelines are shown in Figure II-2 (for simplicity, only three of the six time points available from the WSIE are displayed). As the figure shows, about 90% of the states had their State Board in place at the time of the initial WSIE data update (March 2, 2000). Nearly as many had the boundaries of their local workforce investment areas established by that date, and almost all had done so by the end of May. Developing the allocation formula took a bit longer in many states, but again over 90% had decided on a formula by May. Finally, it apparently took a good bit longer to put plans for local areas in place, in that fewer than 40% of the states and territories had approved all local plans by the end of May. Even as of the end of October, not all local plans had yet been approved.

When asked what challenges were faced in taking these actions, a number of the DOL regional staff noted that discussions on who to appoint to State Boards were sometimes contentious; in one state, for example, decisions on board membership were challenged by a partnering agency. In a few states, there were concerns about how to keep business members of the board engaged.

Local-Level Progress Towards Implementation

Just as their state counterparts, local areas need to establish governance and administrative structures relating to WIA. To begin with, they must establish a Local Board, charged with setting policy and providing overall guidance to the community's emerging workforce system; these boards can be newly established or represent the grandfathering of a board that was already in place. In an effort to make a sharp distinction between policy and operations, Local Boards are generally barred from providing training services, unless they have been granted a waiver to do so. Similarly, Local Boards can provide core or intensive services or serve as a One-Stop operator only with the agreement of the chief elected official and the Governor of the state.

Figure II-2: Trends in Implementation of State Responsibilities



Note: Height of the bars represents the percentage of the states and territories that have taken the action specified by the time of the three WSIE updates shown at the right.

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Table II-4 shows how these arrangements have played out across the nation as a whole (with the analysis restricted to states with multiple workforce areas), based on the latest data update to the WSIE. As the table shows, the creation of new boards was the most common mode of establishing local governance. Thus, nationwide approximately two-thirds of the boards were newly established, while the remaining one-third have been grandfathered. Looked at another way, in about two-thirds (or 28) of the states and territories no Local Boards have been grandfathered, whereas in 14% (or six of them) all have been grandfathered. In the remaining 23% of states, some boards have been grandfathered, while others are newly established.

Table II-4
Elements of Local Administration under WIA

Establishment of Local Boards	
Percent of Local Boards nationwide that were:	
Grandfathered	33.9%
Newly established	66.1
Percent of states where:	
All Local Boards were grandfathered	13.6%
Some boards were grandfathered and others were newly established	22.7
All Local Boards were newly established	63.6
Local Boards Providing Services	
Percent of Local Boards nationwide that were granted waivers to provide training	3.0%
Percent of Local Boards nationwide that can provide core and intensive services	14.2
Percent of Local Boards nationwide that can serve as One-Stop operator	18.4

Note: Tabulations were calculated from the last update of the WSIE. Those relating to the Establishment of Local Boards were calculated after excluding states and territories that consist of a single workforce investment area.

The table also suggests that in most cases a clear separation is made between policy and operations. Thus, only 3% (or 18) of the Local Boards nationwide have been granted a waiver to provide training services, only 14% (or 85) have been approved to provide core and intensive services, and just 18% (or 110) have been approved to serve as a One-Stop operator.

When given the opportunity to describe implementation challenges relating to local-level governance, DOL regional staff mentioned that several states were uncertain about strategies to identify individuals who could fill more than one required membership category on a Local Board. Others felt that membership requirements might be leading to governing bodies that were unwieldy because they were so large.

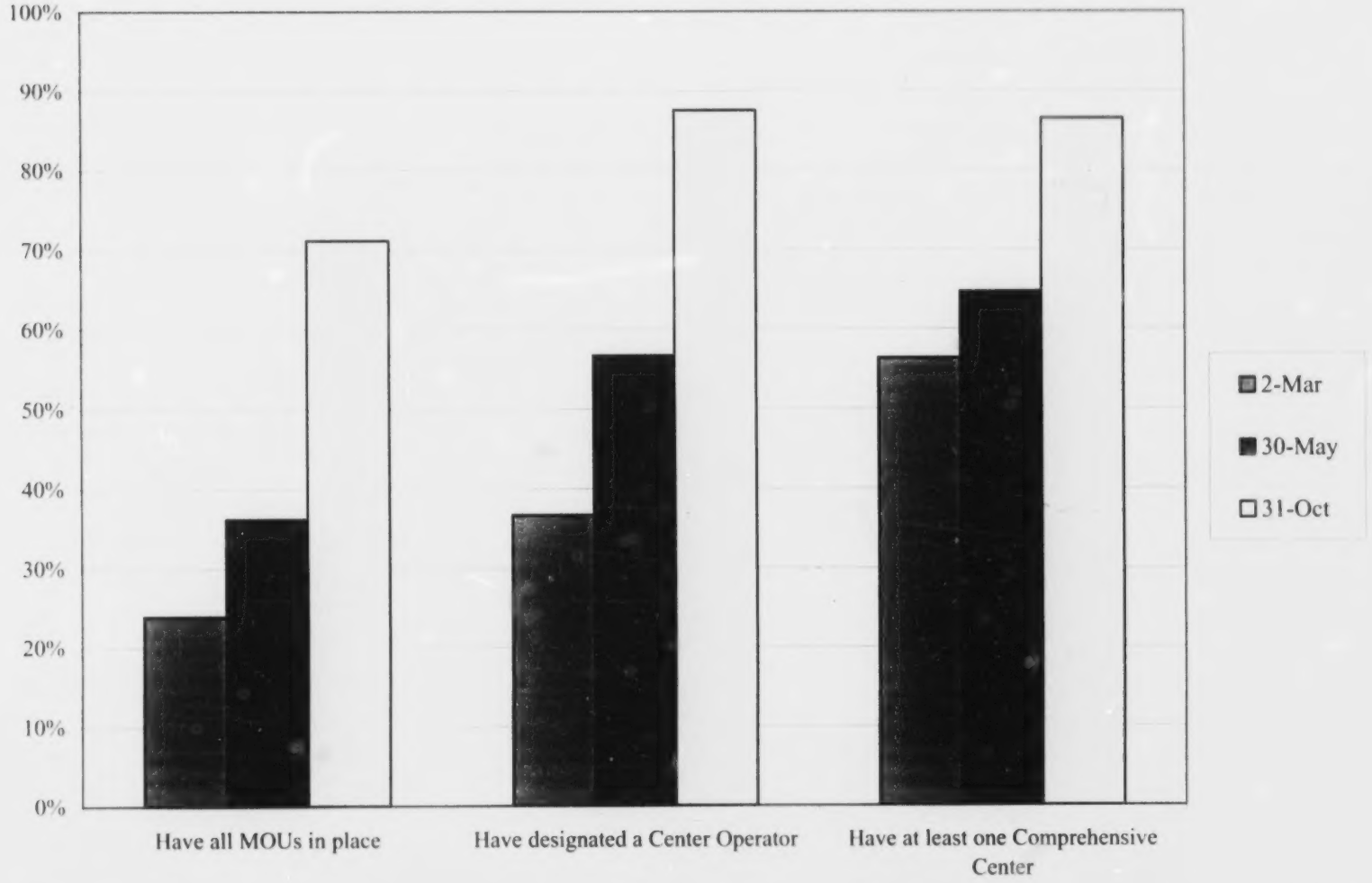
One-Stop Delivery System and Partnerships

In establishing the framework necessary for WIA operations, local areas must enter into memoranda of understanding (MOUs) with all required partners and establish the infrastructure for service delivery. Figure II-3 uses successive waves of the WSIE to gauge progress towards implementation of these steps during the period just before and just after the start of PY 2000. As the figure shows, local areas have made dramatic progress over the eight months covered by the WSIE. As of the beginning of March 2000, just about one-quarter of all local areas nationwide had MOUs in place with all required partners. This figure rose dramatically during the summer of 2000 and steadily thereafter, such that, as of the end of October, over 70% of local areas had all such agreements in place.

Designating a Center Operator and establishing at least one comprehensive One-Stop center are other important steps towards implementation required of all local areas, and again steady progress has been made over time. By the end of October, nearly 90% of areas had accomplished each of these major steps. As will be discussed in the next chapter, DOL One-Stop implementation grants, which were awarded to all states during the mid-nineties, enabled many states to make substantial progress in establishing a One-Stop infrastructure even before WIA was enacted, and perhaps for this reason over half of the local areas had comprehensive centers in place as early as March 2000.

States have taken important steps in helping local areas make progress towards establishing strong partnerships to guide One-Stop system development. Results from the latest round of the WSIE show that 33 (or 61%) of the states and territories have

Figure II-3: Progress Made by Local Areas in Establishing a One-Stop System



Note: Height of bars represents the percentage of local areas that hvae taken the actions shown, by the dates shown in the legend. All dates are in calendar year 2000.

established umbrella agreements at the state-level between state-level partners, and 45 (or 83%) have provided model agreements for the local areas to build on. Still, difficulties have arisen in a number of states, as reported by DOL regional staff. For example, some states lack clarity on what it means for agencies to be "mandatory One-Stop partners." A number of others face difficulty in hammering out cost allocation agreements, and in still others the need for common information systems has loomed as important. Another challenge that was mentioned—as is reflected in Figure II-3—is that some local areas are still having difficulty selecting One-Stop operators. Others worry about the sustainability of their One-Stop systems because of what they fear are insufficient funds.

Service Design and Delivery

Even as State and Local Boards were being established and partnerships were being formed, states and territories were deciding what their policies should be with regard to access to services. For some policy matters, Governors and State Boards were required by the WIA legislation to establish guidelines to be followed by the local areas, and in other matters they could delegate policy decisions regarding access to services entirely to the local areas. In addition to formulating policies around service access, states and territories also needed to establish policies and structures associated with the selection of service providers and establishment of the consumer report system. The WSIE provides insights into how these processes were unfolding.

Access to Services

Table II-5 shows what progress had been made as of the last WSIE update (October 2000). Note that almost all states and territories have issued guidance to their local areas on giving priority for services to public assistance recipients and other low-income individuals, and about three-quarters of them have clarified how participants should move through service tiers. In a clear reflection that employers are highly valued as customers of the emerging workforce systems, nearly all states and territories have developed methods to identify the skill needs of employers and have strategies to ensure that employers are aware of the services that One-Stop systems can offer to them. Finally, nearly all states have issued guidance for how youth providers should be selected.

It is noteworthy, however, that states and territories are less likely to have formulated policy guidance relating to how services should be delivered and to whom. Thus, only three-quarters have established limits on the duration or costs of ITAs.

Only 21 have defined "self-sufficiency", and only between a half and two-thirds have defined how key terms relating to youth services should be defined. However, we cannot ascertain from the WSIE whether these lower levels of involvement reflect a philosophical commitment on the part of the states to defer to the discretion of local areas in these matters, or are a function of the fact that states haven't yet had time to develop these guidelines but intend to do so. Nor, where policies were developed, do we know how prescriptive they are.

Table II-5
State Policies Regarding Service Delivery

Number of States that Have Developed:	**# of states**
Policies on Eligibility Issues, relating to:	
When registration for services begins	39
How participants move through service tiers	42
How to define "self-sufficiency"	21
Giving priority to public assistance/low income individuals	49
Policies on Training Services, relating to:	
Limits on the duration of ITAs	34
Limits on the costs of ITAs	32
Guidelines for Youth Services, relating to:	
Criteria for selection of youth providers	47
Defining "deficient in basic literacy skills"	35
Defining "needs additional assistance"	27
Strategies for Serving Employers, relating to:	
Methods for identifying skill needs of employer	49
Marketing strategy to advise employers of services	49

Note: Numbers represent the number of the 54 states and territories that have established policies, guidelines, or strategies on the issues shown, based on the latest WSIE update. A few states are missing on any given data item, so their status could not be determined.

When they were asked to identify challenges or problems that the states in their regions were facing regarding service delivery, DOL regional staff pointed to a number of factors. Funding shortages and insufficient resources to deliver services were mentioned as being important in a number of states. Others are very concerned about

the cessation of set-aside funding for summer youth services. Youth service more generally was also mentioned as a problem, as apparently a number of states are lagging in their efforts to establish the full array of youth services called for in the legislation or are having difficulty selecting youth service providers. Several states also mentioned the problems involved in coordinating efforts of Unemployment Insurance—and particularly worker profiling—with One-Stop systems.

Providers of Services

The WSIE also allows us to gain some understanding of how services are being provided and by whom. With respect to services for dislocated workers, Table II-6 shows that 31 of the states and territories will provide Rapid Response services solely as a state responsibility, and only 4 will delegate the responsibility completely to local areas. In 15 sites, the responsibility will be shared between states and local areas, and in the remaining 4 sites other entities will provide these services, either alone or with states or local areas.

With respect to services to younger youth, we learn that these services will be coordinated with the One-Stop system in all local areas in 26 of the states/territories, and at a separate site in all local areas in 3 of the states/territories. In the remaining 25 of the states/territories, where this service is provided will vary across local areas.

The development of the consumer report system is a cornerstone of efforts to promote informed customer choice for training services. As of the last WSIE update, nearly all states had an approved list of eligible training providers. However, in many cases these lists are thus far lacking key components of a well-developed consumer report system. For example, only about 33 of the states and territories have an electronic consumer report system that contains information on providers' performance, though slightly more provide information on providers' costs, programs of study, and locations.

When asked to describe the challenges that the states in their regions were facing, DOL regional staff noted that states were expressing widespread concern about the difficulties in amassing performance information from providers. Some were concerned that the information that vendors would provide would not be reliable; others are concerned about confidentiality issues that will arise if UI matching is used to calculate providers' performance; others are worried that too few providers will apply for eligibility, effectively limiting customer choice; still others worry about the

implications of having different local areas set different performance benchmarks for vendors' eligibility.

Table II-6
Providers of Services

Number of States:	# of states
That will deliver Rapid Response Services	
Solely by local areas	4
Solely by the state	31
By local areas and states in combination	15
By another entity	4
That will coordinate younger youth services with One-Stop system services	
In all local areas in the state	26
In some of the local areas in the state	25
In none of the local areas (younger youth are served at separate sites in all local areas)	3
That have developed an approved list of eligible training providers	
Yes	49
No	5
With an electronic consumer report system that includes information on providers':	
Performance	33
Costs	36
Areas of training	36
Locations	36

Note: Numbers represent the number of the 54 states and territories that have established policies, guidelines, or strategies on the issues shown, based on the latest WSIE update. A few states are missing on any given data item, so their status could not be determined.

Program Administration and Support

For smooth functioning under WIA, states need to establish performance accountability systems, develop budgets for statewide activities, and develop

management information systems. Elements of these functions are also captured by the WSIE.

With respect to performance accountability, Table II-7 shows that 15 (or 28%) of the states and territories anticipate problems in accessing UI data for purposes of carrying out performance calculations. On the one hand, it is reassuring to know that the majority of states are not anticipating problems in this area; on the other hand, it is worrisome that an appreciable number of states might have difficulty in carrying out a task that is central to the performance accountability system. Among the problems

Table II-7
Performance Accountability, Budgeting, and MIS Development

	# of states
Performance Accountability:	
No. of states anticipating problems accessing UI data	15
Budgeting	
No. of states that developed budgets for	
Required statewide 15% activities	41
Discretionary statewide 15% activities	37
No. of states that will use an alternative formula to allocate funds to local areas	10
No. of states whose formula will create significant changes in local areas from pre-WIA levels	25
No. of states using hold harmless authority for PY 00	29
No. of states that issued policies to local areas regarding cost allocation	34
Management Information System	
Does state have an integrated or Internet data system to track participants and expenditures?	34

Note: Numbers represent the number of the 54 states and territories with the characteristics in question, based on results from the latest WSIE update. A small number of states/territories are missing data on any given item, so their status could not be determined.

cited are familiar ones relating to the difficulty in forging inter-agency agreements to allow access to the data, confidentiality concerns, the difficulty in forging inter-state agreements to allow access to a neighboring state's UI data, time lags associated with

accessing data, and lack of coverage in the UI system of certain sectors of employment (e.g., municipal employees, the self-employed, etc.). Perhaps because of these problems, 21 states are considering using supplemental data sources, including special surveys and data from TANF. In any case, perhaps because of the difficulty that some states are already having in accessing data for the federally required measures, not very many of them are contemplating using additional Governor's measures.

In addition to developing their performance accountability systems, states and territories must develop their budgets for statewide activities and allocate funds to local areas. The WSIE shows that most, but still not all, states and territories had developed their budgets for required and discretionary statewide activities. Relatively few (only 10 states, or 19%) will use alternative formulas to distribute funds to local areas. Whether or not the standard WIA formula is used, though, substantial changes in the funds that local areas receive will result in about one-half of the states and territories. Partly for this reason, just over one-half are planning on using their hold harmless authority to minimize funding shifts for PY 2000. Finally with respect to budgeting, 34, or about two-thirds, of the states and territories have issued policies to local areas regarding cost allocation.

The final pressing administrative issue that states must confront as they move to WIA implementation is developing integrated data systems that allow for the tracking of participants and expenditures across various programs. About two-thirds of the states have such systems in place. Table II-8 lists the partner programs that will be included in these systems. As the table shows, registrants served by the Employment Service, participants in Welfare-to-Work and Trade Adjustment Assistance programs, and recipients of UI benefits are the most likely to be included in these systems, along with WIA Title I adult and youth registrants.

Overall Progress Towards Implementation

The above sections allude to the wide variety of issues that states must attend to as they move to become compliant with the terms of the WIA legislation and the associated regulations. As this chapter has suggested, these run the gamut from forming governance and administration structures, formulating policy guidelines, and developing budgets and information systems to make the system operational. Part of the motivation for the WSIE—indeed, its chief motivation—was to gauge states' progress as they moved to put structures and policies in place that were strictly required by the terms of the legislation. For example, state requirements include such things as

allowing for public review of the state plan, establishing the State Board, developing allocation formulas, designating local workforce areas, approving local plans, developing budgets for required and discretionary activities, developing a consumer report system, and negotiating performance with the DOL Regional Office and with all local areas. Similarly, in order for the state to be fully compliant all local areas within the state must establish a Local Board, form a Youth Council, enter into MOUs with required partners, establish at least one comprehensive One-Stop center, and designate a One-Stop operator, among other things.

Table II-8
Partner Programs Included in Integrated Data Systems

Partner Program	# of states
Employment Service	26
Welfare-to-Work	25
Trade Adjustment Assistance	24
Recipients of UI benefits	23
Profiled UI beneficiaries	23
Senior Community Service Programs	17
Vocational Rehabilitation	14
Adult Education and Literacy	13
Postsecondary vocational education	11
Employment and training activities under Community Service Block Grants	11
HUD employment and training activities	9
National Community Services Act	7
Other	7

Note: Numbers reflect the number of the 54 states and territories in which the partner program is included in an integrated data system with WIA Title I.

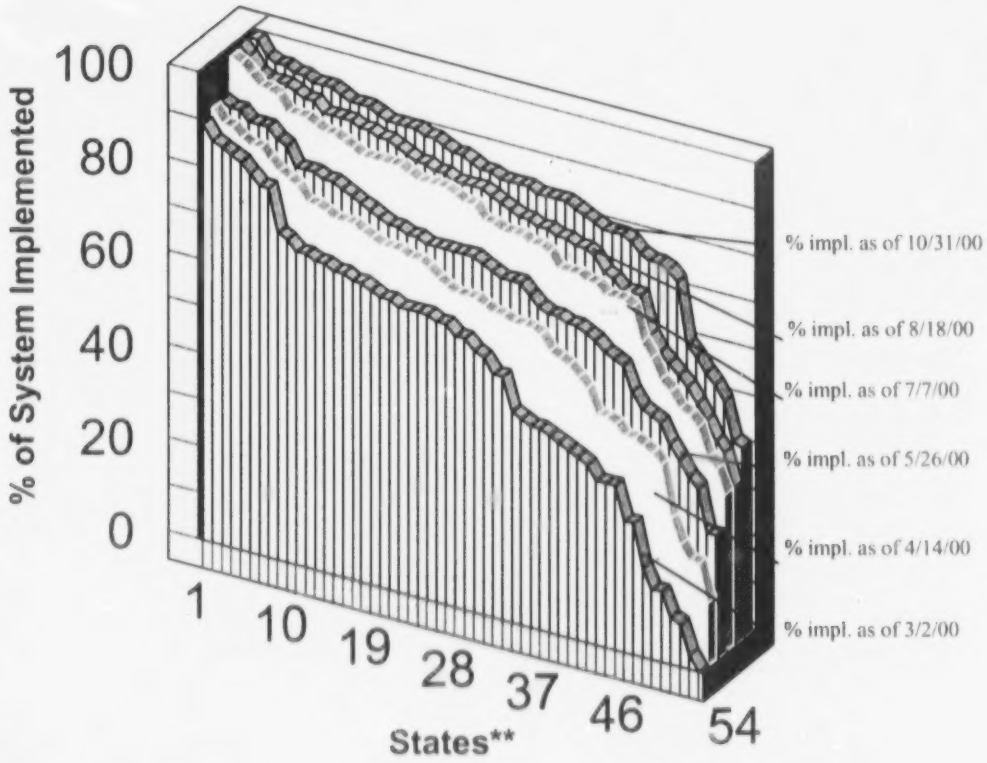
As an easy-to-read gauge of readiness, we have developed a Composite Readiness Index, which indicates on a 100-point scale (representing a percentage of readiness) the extent to which each state has all required components of WIA implementation in place

(details of how the scale was constructed are described in Appendix B). This index is admittedly simplistic, reducing myriad complex decisions and actions to a single indicator of whether the state or territory has taken a required action or not. Perhaps because of its simplicity, however, it captures at a glance how implementation progress unfolded over the 8-month period covered by the WSIE, from early March 2000 to late October 2000.

This timeline, shown in Figure II-4, presents the readiness scores of all 54 states and territories at each of the six time periods representing data updates to the WSIE. The figure shows that, as of March 2nd, a few states had readiness scores near zero, and an appreciable number had scores of 50% or less. Readiness has risen steadily over the months, however, so that, by the end of October, 45 states have a composite index of 75% or higher. Only a handful of states or territories have a composite index of less than 60%. Clearly, substantial progress has been made over a relatively short period of time, an achievement for which states and local areas deserve much credit.

Figure II-4

WIA System Implementation*



*Based on the unweighted averages of composite indexes in Appendix B.

**States = 54 (includes Territories & District of Columbia)

III. THE TRANSITION TO WIA

The enactment of WIA in the summer of 1998 called for a fundamental reshaping of the nation's workforce development system. At an organizational level, states and local areas were required to form or consolidate partnerships and establish new governance structures. Similarly, they needed to reformulate plans and policies guiding the delivery of services to reflect WIA's tenets of universality, accountability, and customer choice. Subsequent chapters of this report will describe the specific mechanisms, procedures, and policies that evolved in the case-study sites in response to these new legislative requirements. However, in this chapter we lay the groundwork by reviewing the organizational starting point for implementation in the six states and nine local areas that we visited as part of this study. We describe as well their vision for change, including what key themes were articulated and how these related to the objectives that Congress had in mind when it crafted the WIA legislation. Finally, we discuss how states and local areas perceived their respective roles, how they shared decision-making, and the challenges they encountered in making the transition to WIA.

THE STATE AND LOCAL CONTEXTS PRIOR TO WIA

Although WIA represents a substantial change in federal laws governing workforce development, the legislation had been long anticipated in most of the case study sites we visited. Moreover, many states had come to their own conclusion well before WIA was enacted that their existing workforce systems were, in their words, inefficient, duplicative, and confusing to the customer. For these reasons, in these states WIA's major precepts had to some degree already been incorporated into state legislation or local practice prior to the passage of the federal legislation.

For example, based on its vision of integrated and seamless services, Texas enacted in 1993 the Texas Workforce and Economic Competitiveness Act, followed two years later by House Bill 1863. Taken together, these pieces of legislation accomplished four major objectives. First, a state-level human resources investment council—the Texas Council on Workforce and Economic Competitiveness (TCWEC)—was established. This new council, made up of business, labor, education, and community-based organizations, was charged with developing a statewide strategic plan for the entire workforce development system in Texas and a unified client application system for determining eligibility for a wide range of related programs receiving state or federal funds. Second, service delivery areas were

realigned along major labor market areas, which in turn were encouraged to establish local workforce development boards that should coordinate activities across a range of programs. Third, Career Centers were established throughout the state to house multiple programs in a central location —including JTPA, Employment Service, Unemployment Insurance, and various education programs—to make it easier for customers to access services, and it was suggested that center operators should be selected competitively. Finally, at the state level, programs from ten separate state agencies were consolidated into the Texas Workforce Commission (TWC), which would administer 28 programs, including JTPA, TANF (CHOICES), Food Stamps Employment and Training, subsidized child care services, proprietary schools, Wagner-Peyser (ES), Welfare-to-Work, and School-to-Careers. This sweeping transformation of the state's workforce development system left the state well positioned to make the transitions required by WIA.

Some of our other case study states had similarly anticipated the key themes of WIA in their earlier system reorganizations. In 1996, for example, the Utah State Legislature enacted legislation that formed the Department of Workforce Services, which combined the previous Departments of Employment Security (with authority for ES, UI, and Veterans programs), the Office of Family Support (which was running the TANF and Food Stamps programs), the Office of Job Training (with responsibility for JTPA), the Office of Child Care, and others. This change, which was spurred by a 1992 state audit that decried the duplication of services, led to the integration of 106 facilities operated by these separate agencies into 48 consolidated Employment Centers. Similarly, Kentucky established a new Cabinet for Workforce Development in 1990 to house all adult education and training agencies under one roof, as a way of promoting economic development and job growth.

Our other case-study states, which perhaps had not gone as far with respect to the formal consolidation of state agencies, nonetheless had a history of strong partnerships at the state level that served them well in making the transition to WIA. For example, officials in Vermont had long been concerned with the inefficiency and lack of coordination caused by separate programs operating as silos. For this reason, in 1994 it formed a Human Resources Investment Council, charged with coordinating all workforce programs. Pennsylvania had formed Team Pennsylvania in 1997, made up of representatives of the Departments of Aging, Community and Economic Development, Education, Labor and Industry, and Public Welfare. Similarly, Florida began reshaping its workforce development programs in 1995, when the Governor established the Jobs and Education

Partnership, charged with reshaping the state's workforce development system. Shortly thereafter the Florida State Legislature passed the Workforce Florida Act, to create a unified, integrated One-Stop Career Center system and a network of Regional Workforce Development Boards to provide local oversight and guidance.

Reflecting on this pre-WIA history, several factors emerge as key facilitators of early WIA implementation, including strong pre-existing state and local partnerships, sometimes spurred by formal agency consolidation; pre-existing state and local workforce investment boards; and pre-existing One-Stop delivery systems.

Pre-existing State and Local Partnerships

As the above review suggests, several states had engaged in a major consolidation of their state agencies responsible for workforce development and education programs, which led to having the administrative entities responsible for JTPA, ES, UI, TANF, Food Stamps, and others brought under one roof. Typically, these organizational changes were spurred by the sense that consolidation could reduce bureaucratic inefficiency and improve services to customers, and in anticipation of federal block grant legislation, which was the principle underlying federal workforce legislation that was pending at the time. But even where formal consolidation at the state level had not occurred to any appreciable degree, agency administrators had increasingly come together for the purposes of developing policy and integrating services to customers.

Almost always, this new spirit of cooperation was repeated at the local level. Thus, where state-level administrators had established a pattern of cross-program coordination, either by legislative fiat or simply as a byproduct of good practice, their example was followed by their colleagues at the local level—in fact, very often collaboration was taken a step or two further at the local level, because the advantages of doing so were very apparent. For example, political leaders and agency administrators in one of our urban case study sites, Pittsburgh and the Balance of Allegheny County, had grown dismayed by its history of administrative fragmentation that seemed hard to avoid, given that the greater area was made up of approximately 130 different municipalities and 42 different school districts. To lend greater coherence to policy development, during the 1990s the area had increasingly come to embrace a regional approach to planning. This movement was exemplified by the emergence of Youth Works, which was formed in the mid-1990s as a collaborative venture by the major city and county governments, United Way, and the Urban League. The board overseeing this entity coordinated youth-focused

projects in the area and included representation from education, workforce development, youth-serving agencies, and community groups. Other, similar efforts included its "First Stop" initiative, which represented a partnership of CBOs, educational institutions, workforce development agencies, and employers, and was designed to address skill shortages in the banking industry. Especially noteworthy is that, in both of these instances, the partnerships were "home-grown" as a result of strongly perceived local needs and a commitment to change. Once WIA was enacted, this network of associations and spirit of cooperation were used as the springboard for forging an integrated workforce development system. In fact, so strong had the commitment to collaboration and partnership become that two workforce investment areas in the greater metropolitan region decided to establish a single workforce investment board to establish policy for both local areas.

Partnerships sometimes also developed more fully at the local level, because they could often be based on strong and long-standing interpersonal relationships. For example, in several of the rural sites we visited it was pointed out that most people involved in system-building under WIA had known each other on a personal and professional level for many years. Moreover, because of the relatively limited resources available in rural areas and the generally smaller scale of operations, program administrators had had numerous occasions to interact in thinking about ways of working together to best meet the needs of the customer.

Pre-existing State and Local Boards

In looking at the pre-WIA period in the case-study sites, another common pattern that made the transition to WIA easier than it might otherwise have been is that state-level, and, in some cases, regional human resources investment councils (HRICs) were often already in place. At the state level, HRICs have been seen as a vehicle for coordinating state workforce policy since they were authorized by the 1992 amendments to JTPA. Accompanying the trend towards agency consolidation and partnership that we described above, or perhaps as a consequence of it, HRICs were in operation in all but one of our six case-study states. In several cases they had in fact been established quite a few years before WIA was enacted. For example, the Florida Jobs and Education Partnership was established in 1995, the Texas Council on Workforce and Economic Competitiveness was established in 1993, and Vermont's HRIC was established in 1994.

Nearly as common across our case-study sites were broad regional or local workforce development policy boards. Florida's Workforce Florida Act of 1996 created a network of 24 Regional Workforce Development Boards in the state, so both

Dade/Monroe and Polk County, the two local workforce areas that we visited in Florida, have had regional workforce boards in place since that time. Similarly, in 1995 Texas passed legislation that strongly encouraged local areas to establish regional planning boards, an option that both Dallas and East Texas had exercised. In fact, Dallas had moved even earlier to establish something like a regional workforce board when it formed WorkSource, a privately-run non-profit entity. Even Utah and Vermont, both single workforce area states that emphasized central decision-making, early on had recognized the need for regional planning and for this reason had established regional planning bodies. For example, the state HRIC was formed in Vermont in 1994. Shortly thereafter the board came to the conclusion that, despite being a single service delivery area state, local areas needed control over programs to respond to local needs and concerns. As a result, the state created a network of twelve local workforce investment boards, to coordinate and provide guidance to the workforce development programs. While these boards did not have recognized administrative control over workforce programs, they did allow localities to customize the delivery of services within the larger state administrative structure.

The ways in which having regional/local planning bodies in place facilitated the transition to WIA is highlighted by the experiences of several of our case-study sites without such pre-existing structures in place. Respondents in these sites commented to our site visitors how difficult it was for them—especially given their commitment to be an early implementer under WIA—to establish local workforce investment boards as required by WIA when local-area policies and procedures related to WIA implementation also needed to be established. In several of these case-study sites, for example, the local plan was drafted in whole or in part before the Local Board had even been established, leading to an awkward situation where the new Board members were presented with an already completed draft plan for the emerging system. Similarly, the formulation of other local-level policies and procedures had to be delayed until the new board was formed and became familiar with its charge.

Pre-existing One-Stop Systems

A third key feature that greatly facilitated WIA implementation in most of our case-study sites was that One-Stop systems were generally already in place, and typically had been for some time. In some instances, these systems had their genesis in a state's early

workforce development reform efforts, and were supported by One-Stop implementation grants issued by the U.S. Department of Labor.

As an example of the state-led impetus for reform, in 1996 the Florida State Legislature passed the Workforce Florida Act, which created an integrated One-Stop system of workforce development services designed to be customer-focused, market-driven, and outcome-oriented; as of March 2000, there were already 108 full-service One-Stop centers and 81 satellite centers in Florida, well exceeding WIA's requirement that there be at least one full-service center for each of the state's 24 local workforce areas.

Similarly, the Texas Workforce and Economic Competitiveness Act of 1993 mandated the establishment of Career Centers, which were to include the participation of JTPA, Employment Services, Unemployment Insurance, and various education programs. According to the legislation, each center was to provide: a) labor market information, b) common intake and eligibility determination for all local workforce development programs and services, c) the independent assessment of individuals' needs and the development of individual service strategies, d) coordinated case management and counseling, e) individual referral for services, including basic education and classroom occupational skills training, and f) supportive services. As a result of this head start, by September 1999, Texas had established over one hundred local Career Centers, of which 50 were characterized as full-service centers.

Utah's story was much the same. This state was dismayed by what it saw as a duplication of services that may have required a single customer to visit a number of separate agency offices to receive services, and along the way fill out separate applications and complete separate self-sufficiency plans (outlining potentially conflicting goals and objectives). As a remedy, the Utah State Legislature passed legislation that consolidated workforce development services and led to the establishment of Employment Centers (ECs) located throughout the state, where representatives from Unemployment Insurance, Employment Services, Veterans programs, Food Stamps, TANF, JTPA, and other programs might be housed. Shortly thereafter, the state chartered an Employment Center Design Team to make recommendations regarding what the ECs should look like. The team included senior and middle managers, program specialists, line supervisors, direct service providers, customers, and representatives of advocacy and interest groups. These recommendations, which were issued in 1997, ensured that each EC would fully support,

in an integrated way, functions relating to front-end services, employment exchange, and other informational and training services.

These examples suggest that, in a number of our case-study sites, One-Stop service systems were to some degree home-grown and sprang from strong state-level initiatives. In other of our case-study sites, however, One-Stop system building only began when the state was awarded a One-Stop implementation grant expressly for that purpose. In any case, in both groups of states the One-Stop implementation grants, and the DOL vision that they represented, constituted a critical formative influence. The grants themselves—which were awarded by DOL to all 50 states over a period of years from the mid- to late-1990s—provided much needed financial resources that states and local areas used to modify infrastructure, purchase new equipment, develop software, support regional planning boards, and the like. Similarly, the national network of support that developed around One-Stop system-building provided a fertile ground for the incubation of new ideas and the dissemination of information about promising approaches or best practices.

Clearly, the One-Stop implementation movement that had been underway in the years before WIA was enacted, and that was encouraged and supported by DOL funding, represented remarkable prescience that made the establishment of the infrastructure that WIA mandated that much easier than it would otherwise have been.

The Vision for the New System

The above discussion makes it clear that workforce reform consistent with WIA was underway in many of our case-study sites well before WIA was enacted. These reforms were successful in easing the transition to WIA largely because they were built on a vision of workforce development that was consistent with the principles that WIA would later promulgate.

Key Themes Articulated by Case-Study States

As a way of examining the ways in which key themes articulated by the case-study states were aligned with the principles of WIA, we reviewed their goal statements or other expressions of the vision for their emerging workforce systems included either as part of their WIA plan or as part of their state workforce reform efforts even before WIA was enacted. There is great variability across the states in the structure and specificity of these statements, such as whether action plans and measurable objectives were associated with each of them. Nonetheless, a number of key themes emerge that align quite closely with WIA's tenets of empowering individuals, streamlining services through integration,

promoting universal access, ensuring accountability, promoting flexibility at the local level, and improving youth services (WIA's major themes were reviewed in Chapter I).

Thus, all six of our case-study states emphasized quite explicitly that their emerging workforce systems were designed to promote customer choice and/or were to be focused on the needs of the customer. In this way, they endeavored to clearly distinguish themselves from earlier systems that were often criticized for being program-based, rather than customer-based.

Revamping workforce development systems to integrate services and avoid inefficiency or reduce duplication was also explicitly mentioned by all six states. For example, as part of the reforms that it initiated with the Workforce Florida Act, Florida endeavored to "streamline the system by reducing duplicative organizational structures, governing bodies, and redundant and conflicting reporting and management information systems."

Five of our case-study states emphasized that such reorganization should proceed only with full attention to protecting local autonomy and control. For example, *Vision Texas*, which was drafted some years before WIA was enacted as a framework for statewide governmental reform, emphasizes that "The best form of government is one that is closest to the people. State government should respect the right and ability of local communities to resolve issues that affect them...Where possible, the State delegates to the (local) boards full responsibility for targeting resources and designing the provision of services in a manner that addresses locally determined needs and that achieves effective results." Similarly, Kentucky emphasizes that it perceives the relegation of policy-making authority to the local areas to be one of the most noteworthy differences between its emerging workforce system under WIA and what it replaces.

As part of the vision for change, most of our case-study states also made clear that their underlying effort related to building a strong, competitive workforce, to, as Pennsylvania's WIA Title I plan noted, "...be a leader among states and a competitor among nations due to the breadth and expertise of its knowledgeable, skilled, engaged, and flexible workforce." Typically, this goal of skill-building was explicitly linked to another one that emphasized the drive to foster economic development and be responsive to the needs of business for a skilled labor force. Sometimes, in fact, a state had initiated workforce reform largely because of some dramatic evidence that it could not provide a trained workforce to meet the needs of its employers.

Other themes that drove workforce reform efforts in at least half the states included ensuring accountability, being market driven, providing a continuum of services, and expanding youth services.[1] Less commonly mentioned were the intent to develop industry-specific skills standards, promote personal responsibility, utilize technology, build private/public partnerships, and support families.

Striking a Balance between State and Local Control

As was mentioned, states explicitly expressed as part of their vision a sincere commitment to regional autonomy and local control. Local flexibility is of course an underpinning of the WIA legislation, and, to this degree, the states' vision for WIA implementation as it relates to local control was well in line with the principles that WIA embodies. Some of our case-study states in fact noted that preserving local prerogative was a key difference, in their eyes, between WIA and the workforce system that it replaced, and, for this reason, they were very conscious of allowing local areas as much latitude as possible for designing locally-based policies and systems.

At the same time, WIA also carves out clear roles for the states themselves. For example, states are required to develop a formula for the disbursement of funds to local areas, they must develop performance indicators for the state as a whole and its constituent local areas, they are expected to support fiscal and client management information systems and invest in training and capacity building for local staff, and they must maintain the eligible training provider list. They may additionally set policies on a range of matters relating to the delivery of services, such as how training providers are certified, the types or duration of training that will be supported, how eligibility for intensive and training services is established, what services must be provided at each service tier, and so on. Thus, although states *must* establish procedures relating to the *organizational* management of the WIA system, they *may* go well beyond that by being prescriptive to local areas regarding what *services* are delivered, to whom, and how.

Two of our case-study states, Vermont and Utah, consist of single workforce areas, and, by virtue of that fact, are required to act as both state and local governing bodies. In these two, then, state policies were quite prescriptive regarding the service delivery

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[1] We hasten to add that, because a given state is not listed as having explicitly articulated a theme as part of its goal or vision statement does not mean that the state does not endorse that theme. Instead, through a content analysis of (usually) written plans or goal statements, we are endeavoring to identify the ways that states choose to characterize their efforts.

process. However, it would be difficult to disentangle whether these two were making state-level policy decisions because they needed to, as single-LWIA states, or whether they chose to become single-LWIA states because they embraced the idea of stronger centralized control.

These exceptions aside, our case-study states were in general very "hands-off" with respect to the possible range of policy prescriptions that they were at least in principle authorized to make. In fact, they devolved to local areas almost all decision-making with respect to service delivery, typically as a matter of policy. This is not to say that they provided no guidance to the locals. But very often this guidance simply took the form of reiterating or clarifying the key stipulations pertaining to service delivery drawn from the WIA legislation or regulations. Thus, they might describe the factors that must be considered in having adults move through service tiers (e.g., giving priority for public assistance recipients or low-income individuals, after a determination that a customer needed and could benefit from services at the next highest tier, etc.), without specifying how these criteria should be operationalized. Similarly, they might note that limits on the duration or costs of ITAs could be established, without specifying what these limits should be. With respect to how services across the tiers should be prioritized, only Florida could be described as prescriptive, with its requirement that local areas should use 50% of their WIA adult and dislocated worker funds for training services.

Different local areas reacted in different ways to the autonomy they were being given. On the one hand, some emphasized that they zealously guarded local prerogatives and thus greatly appreciated, even insisted, on the freedom they were being given to establish their own service policies and practices. As a respondent at one of the local areas put it, he appreciated that the state was being informative, without being prescriptive, which helped the local area figure out what it needed to know to operate One-Stop systems in conformance with WIA. In other words, the role of the state as an information broker, rather than a policy maker, was what these locals were clearly looking for.

On the other hand, just as clearly some local areas were eager for more specific direction from their state counterparts. They faulted their states, in fact, for doing little more than passing on federal legislative and regulatory guidance, without articulating a clear direction regarding policy issues. State officials were, in the words of one clearly frustrated Local Board administrator, "bean-counters," rather than visionaries and policymakers.

Clearly, states need to strike a delicate balance under WIA, between discharging their responsibilities by providing overall policy direction and guidance to their local areas, without being unduly prescriptive in a way that limits local autonomy. In general, the multiple-LWIA states in our sample have handled this dilemma by ceding much of their discretionary policy-making authority to the locals. Perhaps they made this choice because, geared as they were towards ensuring readiness for early implementation, they focused on their necessary obligations rather than optional ones. In other cases, the explicit and purposeful devolution of authority was at work. In any case, some local areas appreciated the substantial flexibility that this allowed them, while others could have benefited from somewhat greater direction.

Challenges in Making the Transition to WIA

We have suggested in this chapter that the path of the case-study states towards implementation under WIA was, as a whole, greatly eased because they had already adopted much of the infrastructure that WIA mandates, and had embraced a vision consistent with WIA, well before WIA itself was enacted. For these reasons, most of the case-study sites—both states and local areas—concluded that the transition to WIA was straightforward. As one respondent remarked about its state implementation effort, after all the blood-letting and turmoil that had accompanied its workforce reforms throughout the 1990s, the transition to WIA itself was relatively painless.

Nonetheless, WIA transition efforts still required a lot of hard work and tremendous effort. Countless inter-agency work teams hammered out details of the state plan; even where partnerships were generally already strong, the new partners required by WIA needed to be brought into the fold; MOUs needed to be crafted; cost-sharing arrangements needed to be worked out; explicit policies and practices needed to be developed; and so on. This effort was extraordinarily time consuming.

The biggest challenge in making all this happen, our respondents told us, was the compressed timeframe within which structures and policies needed to be established. As Exhibit III-1 shows, this factor was cited by the greatest number of our case-study states as a challenge to implementation. To some degree, the time pressures were self-imposed—after all, these are all states that voluntarily were striving to be early implementers. Nonetheless, there was simply much to accomplish in a short period of time, even granted that all these states had laid much of the organizational groundwork for WIA implementation in the years before WIA itself was enacted.

Making their journey even more difficult, respondents in many of the case-study states felt that DOL was slow to issue guidance and clarifications. For example, the interim regulations were issued only on April 15, 1999, at about the time that those who wanted to be fully implemented by the start of the new program year needed to submit their plans for approval. Moreover, DOL was still hammering out the final regulations, as well as reporting specifications and the details of the new performance accountability system, many months later (final regulations were issued on August 11, 2000). Similarly, some of our respondents complained that questions regarding policy that they posed to DOL national or regional office staff were very slow to be answered. Other of our respondents faulted the lack of coordination among federal government agencies, as setting a poor example and impeding collaboration at the state and local levels. Meanwhile, DOL's Employment and Training Administration was going through a protracted internal reorganization throughout this period, which, one respondent pointed out, only made matters worse, as lines of authority became confused and the normal information flow was disrupted. To its credit, DOL was doing the best it reasonably could have, given the difficult task of crafting regulations and other policy guidance for a complex piece of new legislation, while being sure to seek broad input both from locals and federal partners. Nonetheless, the absence of clear policy guidance early on certainly made the transition to WIA by the early implementation states more difficult.

A number of other challenges and barriers were also mentioned by our respondents. Working out cost-sharing and leasing arrangements was noted as a special difficulty in two states. Similarly, new information systems needed to be put in place, which required the development of new software and sometimes the procurement of hardware. Collaboration was also made difficult, it was pointed out, because of restrictions on how Employment Service, Vocational Rehabilitation, and Veterans Employment and Training Services staff could be used. With respect to the first of these, federal laws that require ES services be delivered by state merit staff means that competitively selected One-Stop center operators cannot easily integrate staff involved in ES functions into center operations. Similarly, staff associated with Vocational Rehabilitation are apparently not allowed to spend time working with non-VR customers, which makes it difficult for staff from different agencies to work collaboratively in a One-Stop center in discharging joint functions (e.g., serving as a greeter or conducting a common intake process for customers).

One state explicitly mentioned that it had embarked on workforce reform early in this decade expecting that federal block grants for education and training programs would ensue. When this failed to materialize, they were left trying to develop collaborative arrangements even though separate programs still had their own cost restrictions, accountability systems, reporting requirements, and other regulatory structures.

Surprisingly, only one state mentioned the challenge of merging corporate cultures when staff from different agencies came together to form a seamless and integrated system. On the other hand, we must remember that many of our case-study states might have faced and successfully dealt with this challenge in years past, as part of their states' own workforce reform efforts, and thus the issue ceased to be important specifically as a factor affecting the implementation to WIA.

Finally, state politics and union concerns over staffing levels and job assignments were also mentioned as challenges in one state each.

Exhibit III-1
Perceived Challenges and Barriers to WIA Implementation

Challenge or Barrier	Number of Mentions
Compressed time frame	5
Lack of guidance from DOL	3
Need for new cost-sharing/facilities leasing	2
Need new information systems	2
Restrictions on ES, VR, or other partners	2
DOL's reorganization	1
Lack of federal block funding	1
Merging different organizational cultures	1
Union concerns	1
State Politics	1

Note: Numbers reflect in how many states (out of the six states in our case-study sample) a given barrier or challenges was cited as important.

SUMMARY AND CONCLUSIONS

The above overview of the context within which the transition to WIA took place suggests that our case-study sites were generally very proactive, rather than reactive, in the face of impending federal workforce reform legislation. Governors and legislatures in the states we visited had taken the initiative in transforming their states' workforce systems well before WIA itself was enacted. They proceeded in this way for a variety of reasons—including because they were anticipating federal legislative reforms, because they were dismayed by the inefficiencies of the systems that were then in place, and as an antidote to skill shortages or economic downturns. Partnerships in local areas additionally were spurred because workforce professionals, who often knew each other personally and professionally for many years, faced the urgent imperative on a day-to-day basis of delivering the best services they could with limited resources to meet their customers' needs. For these reasons, many of our case-study sites already had in place state or regional workforce investment boards charged with coordinating workforce policy. Additionally, they had begun to develop an infrastructure consistent with a One-Stop delivery system, again often spurred by their own initiative, but helped appreciably by DOL One-Stop implementation grants.

Despite this head start, the transition to WIA nonetheless took a lot of time and concerted effort. For the early implementers, much work needed to be accomplished within a short period of time, and often before federal policies and guidelines had been established. For example, existing organizational structures needed to be fine-tuned to conform to the specifics of WIA, such as bringing in new partners, forming MOUs, working out cost-sharing arrangements, and so on. Moreover, if states and local areas could build on a sound pre-existing *organizational* structure consistent with WIA, they still needed to develop specific *policy* prescriptions to implement the WIA service delivery system. This was a task that states largely devolved to the local areas, either due to expediency or from a philosophical commitment to local control.

We are left to wonder how the transition experience of our case-study states—all of which voluntarily applied for early implementation under WIA—will differ from that of others. On the one hand, other states (almost none of which were early implementers) had up to another year to make the transition to WIA and could benefit from evolving federal guidance and the on-going technical assistance that DOL was providing. On the other hand, we have pointed out that most of our case-study sites had begun workforce reform

in earnest in the years before WIA was enacted and, to this degree, had a strong organizational structure in place that made their transition to WIA much easier than it might otherwise have been. We do not know for sure how common such reforms were in other states, nor what their pre-existing workforce systems looked like. At the very least, all states had gotten DOL One-Stop implementation grants by the time WIA was enacted, so all would have already begun to have established the One-Stop structure for the delivery of services that WIA mandates.

Still, we suspect that the states we studied, by virtue of their having elected early implementation, were on average "ahead of the game" in comparison to many other states. Given that their workforce reform efforts had been years in the making, we surmise that states that started serious workforce reform efforts much later, or only after WIA was enacted, will have a substantially more difficult time.

IV. GOVERNING WORKFORCE DEVELOPMENT SYSTEMS UNDER WIA

With the passage of the Workforce Investment Act of 1998, Congress envisioned the establishment of a governance structure for the workforce development system that would accomplish three primary purposes:

- Foster strategic partnerships at the policy and planning levels of the system through the creation of State and Local Workforce Investment Boards. These boards, formed by either the Governor at the state level or the chief elected official(s) at the local level, were invested with considerable responsibility to forge a coordinated workforce investment system and, in both instances, were designed to be led by representatives of the private sector.
- Allow these state- and locally-created workforce investment boards the flexibility to design and implement workforce systems that are best suited to their particular needs. Through legislation and the regulations, the boards have been provided with general responsibilities, rather than prescriptive duties, and are positioned to act as the strategic planning agent for all workforce investment activities within their geographic area.
- Promote substantial interagency collaboration in the delivery of services to job seekers and employers, with an emphasis on the creation of substantive agreements that describe how the different entities would work together to develop and support a coordinated workforce investment system

In this section of the report, we discuss the status of governance in the six states and nine local areas visited as part of this study, identify challenges states and locals faced as early implementers of WIA in meeting the governance standards as described in the Act and regulations, discuss strategies adopted by states in terms of administrative organization, and explore the options used by Local Boards to certify one-stop operators.

WORKFORCE INVESTMENT BOARDS

To oversee the new workforce investment system at both the state and local level, Congress required states and local workforce investment areas to establish workforce investment boards (WIBs). As envisioned by the Act and the regulations, these boards would be the catalysts to bring together, in one deliberative body, representatives of all the major stakeholders in workforce development to provide strategic planning and oversight for the workforce investment system.

As described in the Act, membership requirements for the State and Local Boards are very similar. The State Board is to consist of the Governor, two members of each chamber of the state legislature, and other representative appointed by the Governor including business leaders, elected officials, labor organizations, state agency heads, and individuals with experience in delivering programs and youth services. The Local Board, appointed by local elected officials, is to consist of representatives of business, education providers, labor organizations, community-based organizations, economic development agencies, One-Stop program operators, and others. To ensure collaboration and coordination with the employer community, both State and Local Boards are required to be chaired by a business representative and have a majority of business members.

The following section describes the experiences of the case-study sites in establishing State and Local Boards and Youth Councils.

State Workforce Investment Boards

The role of the State Workforce Investment Board as assigned by the legislation is to set the overall direction and strategy of the state's workforce development programs. Specific responsibilities of the State Board include: the development of the state's five-year strategic plan and performance measures; the creation and continuous improvement of the state-wide system; designation of local workforce investment areas, determination of funding allocations to these areas, and review of local plans; development of a state-wide employment statistics system; and provision of periodic advice to the Governor.

All of the six states participating in this study had functional workforce investment boards in place at the time of the site visits. However, the manner in which the boards were established varied greatly from state to state.

Congress, in addition to describing the roles, responsibilities, and composition of the State Board, also established an option that allowed states to grandfather in their existing State and/or Local Boards provided that those boards met two basic criteria:

- They must be "substantially similar" to the boards envisioned in the Act
- They must have been established prior to January 1,1998.

Of the six states visited in this study, four choose to grandfather their existing State Boards. In general, these four states felt that they had invested considerable effort in reorganizing the governance structure of their workforce development system prior to the passage of WIA and saw minimal benefit in changing these structures again.

One of these states, Texas, had undergone a major restructuring of workforce development programs beginning five years prior to the passage of WIA and had established a 20-person Human Resource Investment Council to both oversee the programs administered under the Job Training Partnership Act (JTPA) and to engage in strategic planning for the entire workforce development system in the state. This council, now designated the State Board, is composed of members from business, labor, education, and community-based organizations. It also includes the heads of the major state agencies responsible for the administration of the WIA and partner programs in an ex-officio capacity. The only significant change made to the State Board in the wake of WIA was to increase its oversight responsibility to include all partner programs.

Another state, Pennsylvania, also had undertaken significant changes in its governance structure prior to WIA, albeit only ten months prior to its passage. This state had also created a Human Resources Investment Council, which linked, on a policy-oversight basis, 37 job training and education programs housed in five different state agencies. Soon after WIA was enacted, the Governor announced that this HRIC would become the state policy board for WIA. State officials felt that the advantages of grandfathering this HRIC included its broad membership structure, its strong support from the Governor's office, and its close relationship to the Governor's initiative to promote economic development and growth throughout the state. This State Board already had a clear interagency focus on workforce development that transcended the agenda of any single program or agency and viewed both worker and employer customers as key to the success of the system.

Florida undertook a similar process two years prior to WIA. It too formed an HRIC that was responsible for strategic planning and oversight for the system and was grandfathered in as the State Board. However, due to changes in the state's priorities and vision, and a reorganization of its workforce development activities, this state chose to disband the grandfathered board. This action resulted in the formation a new State Board that merged the board directing welfare transition activities with the grandfathered HRIC.

Two of the states that we visited were single service delivery areas states under JTPA and are now single workforce investment areas under WIA. Although these states are similar in organization, each of the two states chose differing paths in creating a board. One of them, Utah, had undergone significant consolidation prior to WIA and had established a statewide HRIC with responsibilities and membership similar to those required under WIA. This state grandfathered its HRIC and designated it as both the State

Board and the Local Board. The other single workforce investment area state in our study, Vermont, chose to create a new board in response to WIA. Although this state had an existing State Board that served in much the same capacity as envisioned under WIA, it decided for strategic reasons to create a new board. The principle actors involved felt that creating a new board would offer a new beginning, allow them to refocus the mission and goals of the board, and afford the state the opportunity to expand the board to include more business representatives.

In the sixth state, there was no strategic planning board of the stature needed to coordinate multiple workforce development programs in place prior to passage of WIA, so the state was in uncharted waters. Other boards and committees were active at the time, but none with the broad focus expected of the state workforce investment board. This circumstance led the Governor to use WIA as an opportunity to move state workforce development activities in a new direction and recruit business members, labor organizations, and community-based organizations not previously involved in workforce development to lead this effort.

The major theme that emerges across these six early implementing states is that all of them have a tradition of strong private sector involvement on State Boards. Indeed, five of the six had private sector leadership or majority representation on their State Boards prior to the passage of WIA. The sixth state did not have the functional equivalent of a State Board prior to WIA, but has a ten-year history of private sector leadership and involvement in state workforce development activities.

Also reflecting the existence of a strong business focus, two of the states moved to more fully integrate their workforce development activities with the state's economic development efforts. In both of these states, there is cross membership between the two different State Boards charged with these efforts, and the staff to the State Boards were organizationally placed under the state economic development department. In both instances, this action has led to greater coordination between workforce development and economic development in many of the local areas in both states as well.

Finally, it is also worthy of note that two states have gone beyond the partnerships required in WIA to integrate public assistance/human services programs into their state workforce development systems under WIA. This has had a strong influence on policymaking at the state and local levels, as well as on the range of services offered within One-Stop centers.

Local Workforce Investment Boards

WIA called for the creation of Local Workforce Investment Boards, which, under the guidance of the State Board and in partnership with chief local elected officials, set the policy for particular geographic areas. Of the nine local areas we visited, seven had functioning Local Boards at the time the site visit occurred. The remaining two local areas were located in two states that were designated as single workforce investment area states and thus were not required by the Act or regulations to have Local Workforce Investment Boards.

There was considerably less uniformity across the states concerning the formation of local areas and thus the creation of Local Boards than that described in the previous section on State Boards.

Two states, Florida and Texas, anticipated new federal workforce legislation by directing local areas in the years before WIA to create local HRICs with expanded membership to include representation of partner programs. Additionally, the states empowered these local HRICs to oversee and set strategic directions for workforce development programs and activities in their geographic areas. Therefore, when WIA was passed, these particular Local Boards closely resembled those called for in the Act and were grandfathered in as they were or with only minimal changes.

In two other states, Kentucky and Pennsylvania, the only Local Boards in place were Private Industry Councils with narrow oversight of JTPA programs, and these boards did not necessarily have any representation from WIA's partner programs. Both of these states, therefore, were required to create new Local Boards. Nominations were taken from all interested parties in the area and appointments were made by the chief local elected official(s).

The history of these four states had two major ramifications for the workforce investment system under WIA. First, it directly affected how the strategic planning process was undertaken. Under WIA, each local area must prepare a five-year strategic local plan to be submitted and approved by the state. The plan is required to include an assessment of the needs of businesses, job-seekers, and workers in that area, a review of the local labor market, and a description of how the One-Stop delivery system will function in that area. It also gives the local area an opportunity to develop a set of system goals and strategies to meet those goals. The development of this five-year strategic plan in the areas with existing Local Boards was undertaken by those boards. This ensured the input of business representatives and WIA partners in the design and development of the goals

and strategies, needs assessment, and One-Stop delivery system in that area. It also built support for those decisions within the Local Board.

In contrast, the local areas without existing policy boards were forced to develop a strategic plan with little or no business or partner input. This left the tasks of drafting the plans and establishing the strategies and goals primarily to staff. This in turn forced the newly constituted Local Workforce Investment Boards to either buy-in to a strategy, set of goals, and delivery system that they had not created, or spend a significant amount of time and energy developing a new strategic plan. This reality was caused by the expedited nature of the early implementation process, whereby the submission of local strategic plans was required in a timeframe that did not allow for the prior establishment of Local Boards. These local areas were thus left at a disadvantage and with limited options available under the law.

The other task that was impacted by the existence of a prior local policy board was the selection of a One-Stop operator and the resulting management structures of the local One-Stop career centers (a full discussion of One-Stop operators is provided later in this chapter). In the two states where local HRICs were grandfathered in, the participating local areas chose to competitively procure a One-Stop operator, whereas in those states without policy boards previously in place, a consortium of partners was chosen to operate the One-Stop centers. In fact, both states without prior Local Boards explicitly endorsed the consortium approach in their guidance to the local areas. One primary reason for this difference might be that the time and effort required to solicit and review proposals to be a One-Stop operator was prohibitive for those areas without prior Local Boards, given that they needed to devote substantial time and energy to the creation and education of the new Local Board.

The final two case-study states, Utah and Vermont, were single service delivery area states under JTPA and are now single workforce investment area states under WIA. As a consequence, the State Boards assume the responsibilities of both State and Local Boards. However, in both of these states, a network of regional workforce development boards was established several years prior to the passage of WIA. These regional boards enabled sub-state areas to foster local partnerships, tailor program services, and engage in limited strategic planning to meet the needs of the local area. What this yields in practice is a state-run workforce investment system that provides for limited modification and oversight of programs by regional workforce development boards. These regional boards work in concert with the lead agency (which is also the statewide One-Stop operator in

both states) and the State Board to ensure that both local needs and statewide performance targets are met.

Youth Councils

One requirement unique to Local Boards is the mandatory establishment of a Youth Council. As stated in the Act and the regulations, the Youth Council is charged with coordinating youth activities, recommending youth service providers, and providing oversight of the youth program. In the local areas that participated in the study, there were varying levels of progress towards achieving those ends. Several sites were just in the process of establishing Youth Councils and setting the mission and goals of the councils. Other areas had a fully functioning Youth Council and had already identified youth service providers.

The varying levels of implementation of Youth Councils were, in part, attributable to the prior existence, or lack thereof, of a strong outside council or body focusing on services to youth. In particular, in a number of sites, members of previous School-to-Work committees were heavily involved in the development of or were recruited for membership on the Youth Councils formed under WIA. In several local areas, the entity designated as the School-to-Work partnership was either given the responsibility and title of the Youth Council or was integrated into the Youth Council. However, there tended to be substantial variation across local areas in a given state in the success and sustainability of the local School-to-Work partnerships and the extent of their involvement in emerging Youth Councils under WIA. For this reason, we hesitate to generalize from the local areas we visited to the case-study states as a whole.

State-level Youth Councils also are operating in several of the case-study states. In two states, these represent required elements of single workforce investment area states. In one of those states, the youth sub-committee was grand-fathered in and is working to transform its operations to align with the expectations of the Youth Councils described in the Act. In the other state, the Youth Council was in the process of establishing its goals and understanding its specific role in the system. It should also be noted that, in both of these states, there are also Youth Councils operating under the regional workforce development boards that oversee the sub-state areas. Their main function is to provide guidance to the regional board concerning the area youth program.

Among the other four states, Florida established a state Youth Council that reports directly to the State Board, and functions as the local Youth Councils do. The other three

case-study states have state youth task forces that primarily serve as a resource to assist local areas in the establishment and operation of their Youth Councils.

Other Board Committees

In most of the sites, the Youth Council was one of four to eight standing committees under the State or Local Board. In all cases, standing committees are not empowered with decision-making abilities solely on their own. Instead, the committees make recommendations to the full board, which then acts upon those recommendations. In many instances, full board approval is a formality, as the committees are the venue in which most decisions are reached. This arrangement is a product of membership requirements of the State and Local Board, which, because of representation by all major stakeholders and partners and an accompanying business majority, have swelled board membership to nearly unmanageable numbers. One state has avoided this issue thus far by maintaining grandfathered boards of much smaller size. The other states have used the committee structure to conduct most of the work. The committees' structures were not identical across states or local areas, but rather were formed to meet the needs and goals of specific areas. Thus, for example, in those states where welfare transition is closely aligned with WIA, the State and Local Boards have standing committees focused on the issue. Generally speaking, the committee structure of State and Local Boards reflects the priorities of those bodies.

Organizational Issues in Administering WIA Programs

The Role of Elected Officials

The nature and extent of influence and involvement by state-level elected officials have varied greatly across states, leading to significant impacts on the system as a result. For example, in Florida, the state legislature has taken a visible and active role in shaping the state's workforce development system. Several years prior to the passage of WIA, the Governor took initial steps to integrate the workforce system within the state; the legislature expanded upon this initiative by passing legislation that created state and local Human Resource Investment Councils. The Governor then left office, but the state legislature continued its interest in workforce development programs. It passed a series of amendments after the passage of WIA to strengthen the partnerships called for under the Act and to eliminate all program offices of partner programs that were not operating under the state's One-Stop umbrella. Then, this past spring, the legislature authorized a complete overhaul of the state-level bureaucracy by creating an agency that integrates

most of the WIA mandatory partners and removing that agency from the state's Department of Labor.

This high level of involvement by the state legislature is unique among the six states we studied. Nonetheless, local elected bodies or officials have assumed active roles in other states as well. In two states, for example, the Governor has assumed an active role in the crafting of the state's workforce system and the goals of the system. The respective Governors took the lead in moving the states towards early implementation as well. It should also be noted that these two states were the last to create state-level strategic planning boards of the six states involved in this study. One completed its board just prior to the passage of WIA and qualified to grandfather it. The other state created an entirely new board without an old one to draw from. The effort required to undertake this drastic change and implement it within the time frame of WIA early implementation required strong leadership that the Governors provided.

In two other states, there was little direct involvement by either the Governor or the state legislature during the time of WIA implementation. However, both branches of government in both states had undertaken program restructuring and board creation in the years prior to WIA and saw little need to again assume an active role. It should therefore come as no surprise that these two states grandfathered in their existing systems with the fewest changes of any of the participating states.

In the final state, both the Governor and the state Legislature were involved in the restructuring of the state's workforce development system prior to the passage of WIA, but did not take an active role in the implementation of WIA. However, one of the state's two U.S. Senators was very actively involved in the process. His staff assisted state officials in interpreting the legislation and were kept fully abreast as the state developed its five-year strategic plan and moved into full implementation. He did not have a direct impact on the goals or mission of the system, but was a very visible force during the implementation process.

The extent of involvement of local elected official also varied, but not to the same degree as the state officials. The local elected officials are charged with establishing the Local Board and receiving the funds for the local area. In the sample of local areas participating in this study, the local elected officials were only marginally involved in the operations of boards and the formulation of policy in the local area. They would be consulted on certain actions, such as procurement and the selection of the One-Stop

operator, but, generally speaking, had little hands-on involvement. Indeed, in one area, the elected officials were purposefully and willingly kept separated from the operations of the board and were only briefed on the status of the programs on a monthly basis.

There was, however, one notable exception to this pattern. In the Three Rivers area of Pennsylvania, the city and county agreed to merge their two Local Boards to form a single policy board for the metropolitan area. Both the Mayor and the county executives were actively involved in this process and senior staff to the new board were loaned to the board by the city and county governments.

WIA and the State Bureaucracy

In the years prior to WIA, each of the six case-study states had restructured the array of workforce development programs in different ways to create a more integrated, cohesive system. Four of the states had consolidated the majority of job development programs into a single agency to reduce duplication and increase cooperation. The other two states did not overhaul the bureaucracy but had gradually moved many of the workforce development programs under the state Department of Labor. These two states also created Human Resource Investment Councils incorporating most or all of the WIA partners, as had three of the other four states. These HRICs gave the divergent programs a forum for cooperation and an opportunity to set a common vision that transcended the different programs. Therefore, when WIA was passed in August of 1998, these six states were well aligned to create the partnerships envisioned under WIA without major state legislation or executive order. This is not to say that WIA required the creation of super-agencies; rather, it envisioned a seamless system of integrated services through an extensive network of partnerships. However, having a single agency where the majority of these services were housed facilitated the development of these partnerships.

As part of the implementation process, each state designated an agency to lead the effort. In all six states, it was these consolidated workforce development agencies, or offices within those agencies, that were selected. To be the lead agency meant that, in practice, the agency would lead the collaboration efforts between the required partners, actively staff many of the One-Stop centers, and act as the administrative agent at the state level. In each case, the staff for these duties were drawn primarily from the old JTPA staff, the Employment Service staff, or a combination of the two.

Administrative Support to the State Board

The Act and regulations are silent on the issue of staff to the State Board, but all of the case-study states provide support to the State Board to one degree or another. At the local level, the legislation requires the separation of the policy and oversight functions from program operations. Some states have chosen to employ this principle at the state level as well. This has led to differing staff organization and varying levels of involvement across the six case-study states.

In two states, the staff to the State Board are persons from the lead implementation agency in that state. In one of these states, the staff members are very actively involved in assisting the board, conducting research, and implementing board directives and suggestions, and they meet regularly with the chair of the State Board to share information and plan strategy. In the other state, they act primarily in a coordinating function by alerting members of the next meeting and preparing minutes. In both of these states, staff are heavily involved with committees of boards through preparing research documents and assisting the chairs in carrying out the functions of the committees.

In two other states, the State Board staff are employed by the State Board organization, which is separate from any particular government department or entity. In one state, they were originally part of a public non-profit group charged with economic development for the state. In a subsequent reorganization, the state legislature created a second non-profit organization focused on workforce development. This organization's governing board was designated the State Board, and the employees of the organization act as staff to the board. They play a very active role in disseminating information, both upwards for use by the board, and down through the system to assist the local areas. More than the lead agency in the state, the State Board staff really direct the implementation efforts of the state. In the other state in this category, the staff are also part of the organization housing the State Board, but the organization is not as formalized and the staff play a much less active role. In this state, it is the lead agency that is the primary actor in the state.

In the other two states the staff devoted to the State Boards are drawn from state employees. In one state, these staff members are housed in the economic development department of the state. This approach is in keeping with the state's efforts to link workforce development and economic development and also gives some separation between the program and policy sides of the state system. In the other state, the lead staff person is housed in the lead implementation agency, but appears to be operating with a

great deal of autonomy from the lead agency. In both instances, the staff are very involved in assisting and preparing the State Boards and in communicating with the local areas.

Administrative Support to the Local Boards

The Act specifically authorizes Local Boards to employ staff. However, staff are then viewed as an extension of the Local Board and are subject to the same rules and regulations. Under JTPA, the governing body was known as a Private Industry Council, and this body, in addition to overseeing the system, would often engage in providing direct services. WIA sought to remove the potential for conflict of interest by prohibiting boards and their staff from engaging in direct service delivery activities. Board staff, however, may be involved in oversight and planning, monitoring, and fiscal management. This arrangement represents a significant change from the prior system. Thus, although many of the same actors and organizations are participating in the system under WIA as previously, these changes have yet to be fully implemented in all the local areas participating in the study.

Several of the local areas covered in this study have a clear demarcation between staff assigned to the Local Board and the program operations staff. They have accomplished this separation through one of two primary means: 1) by deliberately placing board staff in a separate government agency or organization, or 2) awarding contracts for service delivery (including operation of One-Stop system) to an outside organization. Achieving clear separation is the explicit intent of the law, and the majority of areas visited have met this requirement.

However, several areas were in a transition period at the time of this study's site visit. The organizations that staff the Local Board had taken on a program delivery role in some or all of the One-Stop centers by being a member of the operator consortium. In most instances, this was part of an effort to ensure that One-Stops continued to deliver adequate services during the initial stages of implementation. As the system matured and other providers were identified, the board staff would remove themselves from the day-to-day program operations of the One-Stops.

In two instances, one organization was responsible for staffing the board as well as conducting program operations. In one of these areas, the organization was the primary administrative entity under JTPA, was designated as the staff to the Local Board under WIA, and was a member of the One-Stop operator consortium. However, WIA includes

a provision whereby the Governor may issue a waiver to certain local areas if there is a demonstrated lack of providers and clear need for a specific organization to be involved in conflicting duties. This local area was just such a case. The other example was one of the two single workforce area states. In this state, the consolidated super-agency containing nearly all the required partners acts as the One-Stop operator, staffs the One-Stop offices, and functions as staff to the State Board. We did not learn if a waiver was issued for this arrangement.

In summary, the local areas have taken steps to ensure that the conflict of interest between program operations and policy guidance and monitoring is addressed. Not all local areas have achieved a clear demarcation, but all have made progress towards that goal.

Partnerships and Memoranda of Understanding

To provide seamless, integrated services to customers, WIA calls for the establishment of partnerships between 18 identified programs conducting workforce development activities, including those involved in WIA Title I (Adult, Dislocated Worker, Youth, Job Corps, Indian and Native American, and Migrant and Seasonal Farmworker programs), Veterans Employment and Training Services, Wagner-Peyser, Adult Education, Vocational Rehabilitation, Welfare-to-Work, Older Americans, Perkins, Trade Adjustment Assistance, Disabled Veterans Outreach Programs, Community Services Block Grant, HUD, and Unemployment Insurance. It also gives the states discretion to include partnerships with other federal, state, or local programs that are conducting workforce related activities, but are not included in the 18 mandatory partners. As stated in the regulations, partners are expected to

- Make available to participants through the One-Stop delivery system the core services that are applicable to the partner's program.
- Use a portion of the resources available to the partner's program to create and maintain the One-Stop delivery system and to provide core services through that system.
- Enter into a Memorandum of Understanding with the Local Workforce Investment Board relating to the operation of the One-Stop system, including a description of services, a sharing of costs for both the identified services and the system as a whole, and the methods for referral between partners.
- Participate in the operation of the One-Stop system consistent with the terms of the MOU and the Act.

- Provide representation to the Local Workforce Investment Board.

At the time of the site visits, all of the local areas participating in the case study had made progress towards these requirements. Generally, the local areas chose to utilize a blanket MOU between the Local Board, the One-Stop operator, and the One-Stop partners to articulate the goals and strategy of the area, gain the commitment of the partner programs to participate in the One-Stop system, and allow for the partner to have representation on the board. In three instances, the state had developed sample MOUs that some of the local areas used as a model and, in another case, a local area developed its own blanket MOU. In all cases, there was little, if any, objection on the part of the partners to entering into this broad agreement.

Two of the local areas have taken the second step of negotiating the specifics of staff co-location and resource sharing among partners. These agreements primarily consist of codifying the nature of a partner's involvement with the One-Stop system and individual One-Stop centers. In one instance, they also designate the amount of office space available for partners and the expectations surrounding office supplies and equipment.

One local area and the two single state areas had entered into cost sharing agreements. These agreements had different characteristics in the different locations. Some addressed the sharing of staff time concerning the resource room and the greeting function. Others included allocations for core services, estimated on the amount of customers served and staff time spent. In the majority of the areas, though, the details of cost sharing had not been finalized. Moreover, local officials expressed a concern that partner programs would be reluctant to agree to provide cash payments to the Local Board or One-Stop operator for the delivery of core services. Apparently, many partners prefer to offer in-kind contributions through staff time or equipment whose approximate dollar value could then be applied to the partner's overall commitment.

Additionally, in many of the local areas we visited staff at the One-Stop centers expressed some fundamental concerns regarding perceived barriers that would impede the realization of true partnerships. Several local officials cited the reluctance of some partner programs to fully integrate and participate in the One-Stop system because of the rules of their individual programs. One example is that some partner programs place restrictions on staff with regards to serving customers not eligible for their individual program. Some staff of such partner agencies felt that, because of this restriction, they would be unable to serve as greeters and resource room monitors or to assist persons

entering the One-Stop center on a rotating or on an as-available basis. Another example is the confidentiality requirements that restrict the ability of staff members not from specific programs to access all information on clients. A third factor is exemplified by one of our case-study states that has a law prohibiting the Employment Service from operating in privately held facilities, which limits co-location efforts.

The two states in this study that are single workforce investment area states have engaged in an MOU between partner programs at the state level and have been successful in completing all the requirements of the MOU for the majority of the partner programs. To address the cost sharing arrangements, both states created an innovative billing system that allows staff to bill time to individual funding streams based on the work they do for each. Overhead costs for the centers are then charged based on the proportion of staff time spent on the individual programs. In one of the states, the allocation was done by a daily random sampling of staff to ascertain what they were doing at the moment they were surveyed. In the other state, it was tracked through weekly time sheets. The number of partners participating in the billing system depended on the number of partners that were incorporated into the lead agency. Thus, in the one state, a super-agency included not only U.S. Department of Labor-funded activities, but also childcare services, Food Stamps, and TANF. In the other state, the lead agency included only USDOL-funded activities, thereby limiting the cost sharing arrangements to only those programs.

Three states beyond the two single workforce investment area states entered into MOUs between partners at the state level. While this was not required under WIA, the participating partners believed it would formalize the relationship, set an example for the local areas to follow, and give them a blueprint for what should be included in an MOU.

GOVERNANCE OF INDIVIDUAL ONE-STOP CENTERS

Up until this point, the discussion has centered on the governance of the system as a whole. We have reviewed the role of state and local elected officials and workforce investment boards and discussed the importance of partnerships in the new system. This section will now focus on the identification, chartering, and management of individual One-Stop centers and what role the many actors play in service delivery.

Selection and Chartering of One-Stop Centers

WIA stipulates that programs under the new workforce investment system shall be delivered through a network of One-Stop career centers throughout the state. It also

states that each designated local area must have one comprehensive One-Stop center, defined as a physical location where a customer can:

- Receive core services.
- Receive access to intensive and training services, including those provided through the use of Individual Training Accounts.
- Access supportive services or needs-related payments.
- Access the programs and activities provided by the mandatory One-Stop partners.
- Access the labor exchange services provided under the Wagner-Peyser Act.

Although the Act and regulations clearly state that the Local Board, in conjunction with the chief elected official, is responsible for selecting and chartering One-Stop operators, states can establish base criteria to assist the Local Boards in this process. Of the six states in this study, two developed no criteria beyond that described in the Act and regulations, two were much more proactive, and two were single workforce states (and therefore selection rested at the state level).

The first group of two states ceded all authority on the matter to the Local Boards. In each case, the state issued guidelines that restated the requirements of the Act and regulations, but allowed the local areas to make their own determination. In two of the three local areas that we visited in these states, One-Stop centers had already been established prior to WIA, and the Local Boards determined that these existing One-Stop centers would be sufficient to cover the area—the boards certified them as comprehensive One-Stop centers under WIA and were done with the matter. In the other local area that we visited in these two states, the Local Board decided on a three-phase approach to certification. In the first phase of certification, those centers that were operating as One-Stops prior to the passage of WIA would be automatically certified as One-Stops under WIA. These included centers run by the state Department of Labor and those operated by the prior Local Board. The second phase certified community colleges and non-traditional and vocational education public schools with facilities adequate to handle One-Stop operations. After the first two phases were completed, a gap analysis was performed to determine the geographic and cultural areas that were not served by existing One-Stop centers. A competitive process was then undertaken to select several more One-Stop centers that would meet the needs of the local area. A wide range of

organizations were selected as One-Stop operators during this third phase, including community-based organizations and other non-profit entities.

In the two states in the second group, the state played a very active role in the designation and certification of One-Stop centers. In one state, the State Board and state officials determined that the compressed time frame of early implementation of WIA necessitated that the state conduct the first round of One-Stop certification to ensure that each local area had at least one fully functioning comprehensive One-Stop center when the transition was made to WIA. After this initial round, the state delegated further certification and chartering duties to the Local Board. However, this delegation was accompanied by a strict set of guidelines by which centers could be designated as One-Stops. These guidelines provided for a three-phased certification process that moved the applying centers from an initial One-Stop through to a fully functioning, continuously improving career center. In the other state, the lead state agency issued broad guidelines that One-Stop centers would have to meet to be designated as such under WIA. The local areas interpreted the state's instructions to mean that if the functioning One-Stops in the local areas met the state's criteria, they would be chartered as One-Stop centers under WIA. Therefore, the local areas simply certified their existing One-Stop centers and did not pursue other possible options.

In all four of these states, the local areas have the discretion to charter additional satellite centers under WIA, as needed. This chartering process varies in each local area, but, in all cases, it is the local area that sets the requirements, reviews the proposals, and certifies the centers. In no case has the state issued guidance or requirements on satellite centers.

The two remaining states are single workforce investment area states and, as such, the State Board is responsible for the chartering of One-Stop centers statewide. In one of these states, the State Board focused on certifying a single One-Stop as comprehensive under WIA. This ensured that the state was in compliance with the Act by having at least one comprehensive center per local area (in this case, the whole state), but there are in existence eleven other full service One-Stop centers located around the state. In the other state, the state decided to designate 38 sites as One-Stop centers.

The One-Stop Operator and Management of One-Stop Centers

An entity created under WIA that was not present under JTPA is the One-Stop operator. The Act and regulations state that the Local Board, in conjunction with the

chief local elected official, shall designate or certify One-Stop operator(s) for a local area. The One-Stop operator may be selected one of the following four ways:

- Through a competitive process
- Under an agreement between the Local Board and a consortium of entities that includes at least three or more of the required One-Stop partners
- Through agreement of the chief located elected official and the Governor that the Local Board should be the operator
- By grandfathering an existing entity, with approval of the chief local elected official and the Governor, that served in a similar capacity prior to the passage of WIA.

The Act and regulations give wide latitude to what types of entities may be chosen as One-Stop operators, including government entities, private for-profit institutions, community-based organizations, post-secondary educational institutions, and other interested organizations.

It is up to the discretion of the Local Board and the chief local elected official to determine the number of One-Stop operators needed in the area and the specific roles and responsibilities that the operator will assume in the One-Stop system. That is to say, the One-Stop operator's role may range between simply coordinating service providers, to being the primary provider of services in the center, to coordinating activities through the One-Stop system. Indeed, in the areas participating in this case study, we discovered just such an array of responsibilities.

The major difference between local areas concerning the designation of One-Stop operators was whether they selected a consortium of partners through a non-competitive process or selected a One-Stop operator on a competitive basis. About half of the local areas chose each option. The major impact of this decision can be seen in the management structures of the local areas and One-Stop centers. In the areas that used the competitive process, a representative from the One-Stop operator became the site manager and primary point of authority concerning the operations of the One-Stop center. In several cases, program staff from government agencies reported directly to the One-Stop operator. These arrangements had to be worked out through extended negotiations, but it was determined that clear lines of authority were the best way to ensure strong performance. Another common feature of competitively procured operators was that the operating entity was a key player in the direct delivery of core services, intensive

services, or both. While clearly this will occur under a consortium, it was not a foregone conclusion that this arrangement would occur under competitive procurement.

In the areas that chose to designate a consortium of partners to serve as One-Stop operator, the site manager was often selected from the Employment Service staff. This decision was impacted by the fact that the consortium One-Stop centers we visited were often located in old ES offices and the previous One-Stop service delivery arrangements were, in effect, grandfathered in. This was particularly true in the two single workforce investment area states. In both these states, the lead agency was a super-agency of consolidated programs that was also designated as the One-Stop operator for the entire state. In each of these instances, the site manager tended to be responsible more to his/her home agency than to the state or regional board. In contrast to this pattern, one local area decided to advertise for and hire new One-Stop center managers. Even when these individuals came from one of the partner agencies, the creation of a new position responsible to the Local Board emphasized that the manager was responsible to the One-Stop system as a whole.

In another local area, the board designated consortia of existing partners to run approximately half of the One-Stop centers and competitively procured the others. This was done because the local area did not want to lose its existing structures and identity, but wished to expand to better serve customers in all areas of the city.

SUMMARY

State and local areas have made considerable progress in the development of governance structures for the new workforce investment system. The major accomplishments are as follows:

- Workforce Investment Boards have been created in the six states and nine local areas. In some cases, these boards are the result of grandfathering in existing policy boards and, in other cases, they are newly established boards. In all cases, though, these Workforce Investment Boards are operating consistent with the Act and regulations.
- Youth Councils have been established in all the local areas that we studied. The progress that Youth Councils have made in establishing year-round youth programs and selecting youth service providers varies across local areas, but all areas have made progress towards the statutory requirements.
- General Memoranda of Understanding have been executed with the required partners in all of the local areas. These MOUs have secured the

commitment of partner agencies to participate in the One-Stop system, articulated the goals and strategies of the local area, and provided for partner representation on the Local Boards. Some areas have also established resource sharing and cost allocation agreements, but there is still progress to be made in this area.

- One-Stop Centers have been established in each of the local areas, and One-Stop Operators have been selected. There was approximately equal distribution of One-Stop operators selected through the designation of a consortium of partners and through a competitive process. In each case, the local area made the determination based on what best met its needs.

While challenges to complete implementation of a governance structure still remain, the accomplishments of the states and local areas are consistent with the statutory requirements of the Act and the intent of the legislation as articulated through the seven key principles.

V. SERVICE DESIGN AND DELIVERY UNDER WIA

In preparing to provide customer services under the Workforce Investment Act, states and local areas have had to develop detailed service plans and policies and resolve a myriad of operational questions about how the delivery of One-Stop services under WIA will work in practice. The Act allows states substantial discretion to design services that will address the particular economic contexts, organizational structures, and customer needs within each state. Many of the states included in this study, in turn, have given substantial discretion to local workforce investment boards to determine what One-Stop services should look like and how One-Stop operators, partner agencies, and contracted service providers should work together to deliver high quality customer services.

The early implementation states, in particular, were usually working under compressed implementation timelines to develop policy bodies, negotiate partner agreements, draft service plans, and award One-Stop operator contracts or approve One-Stop operator consortium agreements before their targeted WIA implementation deadlines. Because these system-building tasks are usually sequential—requiring, for example, the designation of local policy boards and formation of working committees to be completed before One-Stop service guidelines were developed and disseminated—most of the early implementation states and local One-Stop partnerships we visited for this study were still finalizing their service designs and service delivery practices at the time of our site visits in late 1999 and early 2000.

Although they were moving rapidly toward realizing their designs for One-Stop service delivery systems under WIA, we did not observe a completed system. Rather, we viewed local One-Stop systems that were still evolving rapidly toward full roll-out and elaboration of One-Stop customer services under WIA, including developing detailed menus and delivery procedures for each tier of One-Stop services. Even local sites that had already been operating local One-Stop career centers prior to WIA had plenty of tasks to complete, including rethinking the roles of One-Stop operators and other One-Stop partners in paying for and providing services, designing customer eligibility and service priority policies and procedures, and educating customers about the services available from the new system.

In this chapter, we describe some of the patterns that emerge from our observations of the rapid progress toward developing One-Stop service systems at the local level, review the approaches developed by local sites to organize and deliver WIA services, and identify some of the service design and delivery challenges that are being faced by the sites. We begin by reviewing progress toward implementing core, intensive, and training services for adults and dislocated workers. We next briefly review the experiences of the case-study sites in developing comprehensive youth services under WIA. We also review the progress made in developing a wide range of One-Stop services targeted to employers. We conclude by reviewing how the case-study sites have responded to the key WIA service principles of (1) streamlining services; (2) empowering individuals; and (3) ensuring universal access.

BUILDING ONE-STOP SERVICE SYSTEMS FOR JOB SEEKERS AND EMPLOYED WORKERS

The Workforce Investment Act calls for a dramatic reorientation of services to adults and dislocated workers when compared to the systems previously in place under distinct categorical programs. Instead of recruiting and screening clients for entry into services available under specific categorical programs—such as JTPA, adult literacy, welfare-to-work, vocational rehabilitation, veterans, and older worker programs—WIA requires individual customers to play an active role in managing the delivery of their own services using three tiers of core, intensive, and training services. According to the three tier service model, most customers will utilize primarily low-cost core services available through self-service and guided service delivery modes. To make good use of these core services, customers must have access to good information about the local economy, job opportunities, and local education, training, and supportive services available both within and outside the One-Stop system.

Smaller numbers of customers requiring more intensive services will be assisted in developing coordinated service plans to guide the delivery of the services they require to find employment and/or advance to employment at a wage that can sustain household self-sufficiency. If intensive services are not sufficient to meet customer needs, the WIA system enables customers to apply for training services. Below, we describe how different local areas have developed the three tiers of core, intensive, and training services, as required in the WIA legislation.

Core Services

In this subsection, we review the key variations across case-study sites in (1) the range of core services offered; (2) how core services are staffed and funded; (3) whether

sites plan to register customers receiving core services under WIA; and (4) challenges in designing and delivering core services under WIA.

The Range of Core Services Offered

The WIA legislation identifies 12 activities that must be available to the general public as core services within comprehensive One-Stop centers:

- Outreach, intake, and orientation to available information and services.
- Initial assessment of skill levels, aptitudes, abilities, and supportive service needs.
- Eligibility determinations for available funding sources.
- Assistance in establishing eligibility
  - for welfare-to-work activities and programs of financial assistance.
  - for training and education programs.
- Information to assist in filing UI claims.
- Job search and placement assistance.
- Career counseling.
- Follow-up services, including counseling for individuals placed into unsubsidized employment for 12 months following placement.
- Information on available supportive services.
- Information on employment statistics and jobs.
- Performance information on eligible providers of training services.
- Information on local area performance.

The WIA legislation also emphasizes that customers will be able to access many of these services independently through self-service resource rooms and automated information tools.

In responding to the federal guidelines for core services, states and local areas have been working hard to develop approaches that offer a balance between customer self-service and staff support in the delivery of core services. They have also been grappling with how to offer similar service content through a variety of modes (e.g., automated self-service tutorial, group workshop, individual counseling session) to meet the needs and preferences of different customers. The core services that have been developed in most local One-Stop centers in response include a mix of: a) staffed greeting, orientation, and information services; b) automated self-access services with staff support as needed;

c) staffed assistance with labor exchange functions, particularly those funded with Wagner Peyser funds (e.g., screening job applicants for employers, making job referrals, and following up after placement); d) group workshops or limited individual counseling on specific job search or employment preparation topics; and e) assistance connecting individuals with other community resources and determining eligibility for intensive services and other funding streams. Each of these will be discussed in turn.

The first cluster of core services offered in most One-Stop centers consists of staffed greeting, orientation, and information services. Most One-Stop centers have identified a distinct "greeter" staff function, so that visitors to the One-Stop center receive a personal welcome and are assisted in deciding what resources will best meet their immediate needs. Information about available resources is provided variously through posters, individual brochures and self-guided tours of the center, staffed orientation sessions, and staffed one-on-one "light assessment" sessions. As a result of the initial greeting and orientation activities, many visitors decide to use resource rooms to access a wide range of core information services.

After greeting new arrivals, most One-Stop centers assist customers in using automated self-access services. Most local service delivery systems have invested substantial time, resources, and staff in developing and providing automated information and other self-access services within One-Stop resource rooms. States are often major partners in developing the software and providing the hardware to deliver these services within certified comprehensive local One-Stop centers. Many of the same automated services are also available by remote access from computers located in homes, schools, businesses, and community agencies.

Resource rooms within One-Stop centers house individual computer work stations connected to local networks or to the Internet, from which individual customers can access automated versions of many of the required core services. For example, customers in the resource room in the downtown Pittsburgh CareerLink center can develop their own personal resumes, review available job listings, assess their career interests, review available labor market information, learn about education and occupational training providers, and determine whether they are likely to be eligible for a variety of categorical programs, by moving through a series of connected menus on the state's automated CareerLink system. Virtually every comprehensive One-Stop center we visited also makes dedicated staff available to guide customers in the use of the self-

service resources. These staff are variously called information specialists, customer service representatives, and resource room guides.[1]

In a number of the local areas we visited, automated self-access services also include self-assessment and skills training options. For example, customers visiting the Provo North Employment Center in Provo, Utah can take computer-based skills tests in typing, 10-key, spelling, reading, and mathematics and can use automated instructional modules to improve their skills in these areas.

A third cluster of core services available in most One-Stop centers is staffed assistance with labor-exchange functions. Traditionally a function provided by state employment service staff funded under Wagner Peyser, staffed assistance with labor exchange functions is still being provided in many sites by state employment service staff. What is new and different about staffed labor-exchange services within One-Stop centers under WIA is that these services are offered within a continuum from self-service to staffed services, and that staff are being trained to encourage and support self-service activities by customers. After training interested employers and job seekers to use self-service options for advertising job openings and matching job requirements to skills of available job seekers, staff can focus on mediating labor exchange services in those instances where individualized staff attention is still needed to screen job applicants and make appropriate job referrals to employers.

From the job seeker perspective, the staffed services related to labor exchange functions often include: an initial assessment from a job counselor (which usually triggers official registration in the state employment service), job search and career counseling, instructions on how to use self-service tools, and referrals to jobs listed by employers who have asked that job applicants be screened before they are referred to the employer for job interviews.

Less frequently used than any of the core services mentioned thus far, local One-Stop centers offer group workshops or limited individual counseling as core services. Only three of the nine local One-Stop systems we visited were already offering or planning to develop a menu of group workshops as part of their core services. Two of

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[1] The one core service that was not yet fully developed at most One-Stop centers at the time of our initial visits was information about the performance of eligible providers of training services. In most sites, the initial eligible provider list was still being compiled at the time of our site visits. Systems to collect and post information on provider performance were still under development in most sites.

these three local areas planned to offer job search and employment preparation workshops. The third local area had developed quite an elaborate list of core workshops, including workshops on job search, use of technology, quality childcare, self-esteem/assertiveness, life management, parenting, and stress. The remaining sites limit access to group workshops to individuals who are determined to be eligible for intensive services under WIA Title I or who qualified for some targeted funding stream.

Individual career counseling is planned as a stand-alone core service in four of the nine local One-Stop systems we visited. One of these sites describes its core counseling service as "career counseling with a light touch." This staffed service is intended for customers with work experience who want some assistance with goal clarification, accessing resources, and planning their job search.

As a final group of core services, all centers offer assistance determining customers' eligibility for more intensive and/or specialized services and linking customers to other resources. The local One-Stop systems we visited differ in the timing and visibility of the linkages they offer to more intensive, specialized, and support services. Some sites provide an initial eligibility screening for WIA intensive services and other categorical programs early in the sequence of services they offer core service customers. Other centers wait for customers to inquire about the availability of additional services or reserve screening for intensive services for individuals who appear to be having difficulty succeeding in reaching their employment goals using the self-access tools. One local area we visited offers all interested customers access to a core assessment by a "triage counselor," who will help the customer connect to a variety of on-site and off-site occupational and support services, as well as determine whether the customer is eligible and appropriate for intensive services through WIA registration.

Staffing and Funding Core Services

The local case-study sites have developed different organizational and funding arrangements for the delivery of core services under WIA. In four of the nine sites we visited, the design and delivery of core services are the primary responsibility of a single agency designated as the One-Stop operator. In three sites, responsibility for core services is shared among the different agencies that belong to the local One-Stop operator consortium. In the remaining two sites, the local MOU states that the Wagner-Peyser staff within the One-Stop center will be a key provider and funder of core services, under the coordination of, and with participation by, the designated One-Stop operator.

Across these varying organizational arrangements, Wagner-Peyser staff are dominant in the delivery of core services in seven of the nine sites we visited. The state employment service agency is the designated One-Stop operator in two of the four sites in which the One-Stop operator is the designated provider of core services. In each of the three sites that designated a One-Stop operator consortium, the Wagner-Peyser staff play a key role in staffing core services. In an additional local area in which a number of different organizations are One-Stop center operators, local offices of the state employment service operate 5 of the 38 comprehensive One-Stop centers.

In six case-study sites, Wagner-Peyser staff deliver core services at a local site that is under the supervision or direction of an agency or consortium that is distinct from the local ES agency. In these instances, careful arrangements have been made to distinguish between day-to-day job assignments, functional coordination, and oversight of core services—which is usually carried out by the One-Stop operator—and personnel supervision and oversight of the Wagner-Peyser staff, which is the responsibility of on-site or off-site ES administrators.

Memoranda of understanding and cost allocation plans were still under development at many of the local case-study sites at the time of the site visits, so we do not have detailed information about how local sites planned to fund core services. However, based on their initial plans, the case-study sites had developed several different funding arrangements for core services, including using Wagner-Peyser funds as the sole or primary source for funding core services within One-Stop centers; blending multiple funding streams controlled by local workforce investment boards to support an integrated budget or contract for the delivery of core services by the One-Stop operator; and coordinating staffing of core services by staff employed by several different agencies and paid from several different funding streams.

Four of the nine case-study sites adopted the first of these arrangements, in that they planned to use Wagner-Peyser as the sole or primary funding source for core services within One-Stop centers. In each of these instances, Wagner-Peyser staff were the designated providers of core services within the center, although each local site encouraged staff from other agencies stationed within One-Stop centers to supplement the core services provided by ES staff.

Another three of the local case-study sites planned to blend multiple funding streams "up-front" to support the delivery of core services. In these sites, local workforce

investment boards planned to finance core services using state workforce development agency funds allocated from several different programs, including Wagner-Peyser, Title I, and Welfare-to-Work grant funds. In two sites, these funds were blended to support One-Stop operator contracts. In another site, staff expenses will be allocated among all 24 programs administered by the state workforce development agency using "random moment" sample measurements of how staff within One-Stop centers actually spend their time.

Several additional sites coordinate in-kind contributions of staff time from several participating agencies to support the delivery of core services. The two remaining local sites allocate responsibility for the delivery of core services among a consortium of One-Stop partners, each of which has agreed to pay for its contributed share of staff resources.

Registering Users of Core Services

The WIA legislation and regulations instruct states and local areas to register all recipients of assisted core services who receive services that are more than informational and that involve "a significant degree of staff assistance." The federal regulations provide, as examples of services that would require WIA registration, receipt of individualized job search services, individualized career counseling, and job development. Registering an individual in WIA triggers two events: (1) the collection of information about individual characteristics and circumstances at the time of program registration; and (2) the inclusion of the individual in the outcomes reporting system that will be used to assess overall system performance.

Because the decision about when to register customers in WIA has an important influence on measured program performance, policies about when to register recipients of core services have been developed at the state level in each of the case-study states. Two of the six case-study states have issued guidelines to local areas instructing them to register recipients of assisted core services in WIA if the services included individualized job search services, individualized career planning, or screened referrals to jobs. These states appear to be instructing local areas to enroll customers in WIA even if the services are funded using Wagner-Peyser funds (e.g., they appear to be encouraging sites to register individuals receiving staffed core services in both the ES and WIA information systems). The remaining four states do not plan to register any recipients of core services in WIA, either because these services will be provided using Wagner-Peyser funds rather than WIA Title I funds or because they have not defined any of their core services as assisted core services.

Demonstrating the importance with which states treat WIA registration, at least one state changed its policy on whether it would label any of its services assisted core services, after it found out that all registered clients would be included in state performance accountability measures. More generally, policymakers from several states indicated that they were torn between wanting to "take credit" for the delivery of assisted core services and being afraid that including outcomes for clients receiving only these services would have a deleterious effect on their measured performance.

Because of the desire to receive proper credit for services they have rendered, most of the states and local areas we visited are very interested in counting the number of individuals receiving core services (whether or not staff assisted) and even in tracking outcomes for these individuals, as long as they do not have to report these outcomes to the federal government as part of the performance measurement system. Strategies used by the case-study states to track utilization of core services include using membership cards, encouraging or requiring all recipients of core services to register in the state's automated ES system or in an automated system designed by the One-Stop operator, and including outcomes for recipients of assisted core services as an additional optional state measure in the state's One-Stop performance management system.

With respect to the first of these strategies, several of the One-Stop centers we visited plan to use a "membership card" system to track users of core services within the One-Stop system. All individuals who have been oriented to the resources in the center are provided with membership cards entitling them to use the self-service resources available within the center. Members are asked to "swipe" their cards through a card reader when they enter the center or when they make use of different resources within the center; this helps the center track the frequency and types of core services used by One-Stop customers.

Alternatively, five of the nine local sites we visited strongly encourage or require all individuals who physically enter the One-Stop to register in the state's Wagner Peyser information system. Two additional sites require all individuals that use their state's automated self-service system either on site or from a remote access point to enter information that registers them into the state's One-Stop services system.

As another way of emphasizing the importance of tracking core services, one of the case-study states in which two case-study sites are located has decided to establish state performance requirements for outcomes for recipients of staffed core services. This state requires all local areas to register recipients of staffed core services in its WIA

information system; however, it does not define these staffed core services as "assisted core services" under the WIA legislation and therefore does not plan to include these individuals in the pool of individuals to whom federal performance measures are applied.

Challenges in Designing and Delivering Core Services

The case-study sites have made good progress in putting in place core service systems that respond to the requirements of the WIA legislation. Challenges that they were still struggling with at the time of the site visits included the following:

- *Making customers aware of the full range of staffed and unstaffed services available* to One-Stop customers from all One-Stop system partners. One-Stop staff can no longer assume that there is a single package or sequence of services that is appropriate for all customers. To realize the principle of customer empowerment, service providers must wait for customers to indicate what services they are interested in accessing. However, before customers can request a service, they must be aware of its existence. Because they were still developing and elaborating their service offerings, the case-study sites did not always have a well-developed method of informing One-Stop customers about all available services at the time of the site visits.
- Balancing the availability and use of self-service and staffed core services. In the local case-study sites, we observed a strong emphasis on the use of self-service tools for the delivery of core services. Sites appeared to be somewhat cautious about developing group workshops and individual counseling sessions to provide staff support to help customers set career and employment goals and develop individualized training and service plans. It would appear that sites need to think more about how to provide "light touch" staff support to users of core services beyond helping customers use self-access tools in the resource room as well as how to identify accurately those who need more intensive services.
- *Changing the culture of the service delivery system* from one that primarily screens for eligibility and arranges for training to a system that serves most customers by providing information and brokering access to other services. Staff in some of the local One-Stop systems we visited appear to have made the transition from thinking of their jobs from a "program perspective"—screening customers for eligibility and controlling access to program-funded training—to thinking about themselves as customer service representatives whose mission is to provide good information to support customers' access to resources available from a number of different providers. In other local One-Stop centers, the old culture persists among staff, despite efforts by state and local policymakers to develop a new customer-focused culture.

Intensive Services

In this subsection, we identify the different patterns that are emerging in the design and delivery of intensive services across the local One-Stop systems included in the study. Specific topics addressed below include: (1) eligibility and priority for intensive services; (2) range and sequencing of intensive services; (3) how intensive services are staffed and funded; and (4) challenges in the design and delivery of intensive services under WIA.

Eligibility and Priority for Intensive Services

The WIA legislation requires that customers be certified as eligible for intensive services and registered as WIA participants before they receive intensive services. To be eligible for intensive services an individual must (1) be unemployed, have received at least one core service, and be determined to be in need of intensive services to find employment, or (2) be employed with earnings less than a specified self-sufficiency level, have received at least one core service, and be determined to be in need of intensive services to obtain or retain employment leading to self-sufficiency. Since the Secretary of Labor has stated that funds for adult intensive and training services are limited, states or local areas must also develop criteria to establish priority for access, which, at a minimum, give priority to low-income individuals and individuals receiving welfare.

Some of the case-study states have established eligibility procedures and priority policies at the state level; others have allowed local areas to set their own policies and procedures, as long as they are consistent with the federal requirements. At the time of the case study visits, not all case-study sites had completed operationalizing their eligibility and priority policies for access to intensive services. However, based on the sites whose policies and procedures were already developed, several different types of eligibility procedures have been established.

As part of these procedures, several case-study sites require customers to complete a specific core service or services before they qualify for entry into intensive services. For example, to be eligible for intensive services in the Northern Tier local workforce investment area in Pennsylvania, customers must document that they have completed a common application for One-Stop services, attended a One-Stop orientation session, been referred to the resource center for job leads and labor market information, and have registered on the state's One-Stop automated services system. Once prior services are documented, center staff complete a barriers checklist and determine whether WIA can address the customer's needs.

Similarly, before entering intensive services in the Dallas County workforce development area, a customer must have completed an initial assessment (available as a core service) that reviews skills, interests, aptitudes, and supportive service needs. In addition, most applicants for intensive services must also complete a six-week job search with documentation that they applied for at least three jobs per week. After the job search is completed, individuals meet with staff to evaluate job search progress and assess the need for intensive services. Alternatively, individuals may be exempted from the six-week job search if the One-Stop staff determines that the individual does not have at least a one-year history of stable employment, lacks the skills to obtain a job at $10.00 per hour, or lacks the skills to replace 75% of the pre-layoff wage (for dislocated workers).

Another way that local sites influence who will qualify for intensive services is by how they define the self-sufficiency level that determines eligibility among employed individuals—setting the self-sufficiency standard at a high level makes a broad range of employed workers eligible for intensive and training services under WIA, while setting the self-sufficiency standard at a lower level makes a narrower range of low-wage workers eligible for these services. Of the two sites for which we obtained information on self-sufficiency standards, one Local Workforce Investment Board set the standard at 150% of the lower living standard income level (LLSIL). The other Local Board initially set the self-sufficiency standard at a low level—$13,000, which was the lowest county per capita income across the counties in its service area. However, after realizing that it wanted to serve a broader range of low-income workers, the Local Board changed its self-sufficiency standard to $18,000, which is 150% of the LLSIL established for this region.

Local sites also influence who will be able to receive intensive services by identifying groups that will have priority access to intensive services. It is not yet clear whether access to intensive services will need to be rationed as closely as access to training services. Moreover, in many of the case-study sites, Local Boards were still in the process of setting policies for priority access to intensive and training services. However, we learned that to establish priority access, some local areas require that a certain proportion of all individuals receiving intensive or training services must belong to a particular priority group. For example, the local workforce investment board in East Texas has specified that at least 70% of the adult participants in intensive and training services must be low income or receiving public assistance.

Other local areas have identified high priority groups whose members have precedence over other individuals whenever the demand for services exceeds service funding or program capacity. For example, in Utah, individuals are given priority for intensive services if they qualify for intensive services funded under a range of state and local categorical programs. These include recipients of TANF, general assistance, Food Stamps, or refugee services. Other categories for which they have established priority are displaced homemakers, TAA/NAFTA recipients, low-income adults, dislocated workers, youth eligible for WIA, veterans, migrant and seasonal farmworkers, UI profilees, and participants in apprenticeship programs

WIA Registration of Customers Receiving Intensive Services

In at least seven of the nine local case-study sites, all individuals receiving intensive services are registered as WIA participants at the time they begin receiving intensive services. Vermont is an exception to this general pattern, because most intensive services in this state are funded with Wagner-Peyser funds. In this state, customers receiving intensive services are registered in WIA only if they actually receive a service paid for with WIA funds (for example, WIA funds are sometimes used to pay for supportive services for customers receiving intensive services.)

Utah's One-Stop system is also an exception. In Utah, intensive services are provided by coordinating over 21 different funding streams. Individuals are registered in WIA only if WIA has been designated as the program that will be paying for their services.

Range and Sequencing of Intensive Services

The Workforce Investment Act includes the following list of intensive services:

- Comprehensive assessment of skill levels and needs.
- Development of an individual employment plan.
- Group counseling.
- Individual counseling and career planning.
- Case management.
- Short-term prevocational services, such as development of learning skills, communication skills, and professional conduct).

The federal program regulations provide additional examples of intensive services that may be provided to WIA registrants. These include work experience or internships,

out-of-area job search and relocation assistance, and literacy activities related to basic workforce readiness.

Many of the local sites we visited had not fully developed their offerings in the intensive service tier at the time of the site visits. A number of local areas had previously provided similar services to JTPA and other training participants as precursors to training; under WIA, they are challenged to design intensive services as a free-standing category of customer services that may or may not lead to training.[2] For example, under WIA, individuals may receive supportive services while they are participating in intensive services, even if they are not participating in training.

Recognizing that customers may require intensive services at a variety of different points in their individual career planning, vocational preparation, and job search cycles, a number of the case-study sites were developing a relatively broad menu of intensive services and a fairly flexible notion of how these services should be sequenced. For example, in Polk County, Florida individuals consult with their case manager in choosing from three sets of intensive services: (1) self-service intensive services, such as computer-assisted remediation and tutorials; (2) group or facilitated intensive services, such as comprehensive or specialized assessments, group counseling, case management, adult basic education/GED training, job clubs, or life skills workshops; and (3) staff assisted/one-on-one services, including individual counseling and development of an individual employment plan.

Other local areas designed a uniform sequence for clients to flow through intensive services, but recognized that the specific content of intensive services would be tailored to meet individual customers' needs and interests. For example, in the Northern Tier of Pennsylvania, delivery of intensive services begins with comprehensive skills and aptitude tests, followed by career counseling and the development of an individual employment plan (IEP). After developing the employment plan, customers may select among workshops on topics such as career preparation, technology preparation, and academic preparation. Intensive service customers may also receive counseling, assisted job search, job club, and career awareness. The last activity in every individual employment plan is job search.

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[2] Perhaps the closest precursor to intensive services under WIA is the category of basic readjustment services available to dislocated workers under Title III of the Job Training Partnership Act.

Utah's well-developed design for providing intensive services also prescribes a fixed sequence of intensive services, but recognizes that the content of these services will be tailored to customers' needs. In this state, clients progress through the following sequence: (a) comprehensive assessment, (b) development of an employment plan, (c) referral to needed activities, (d) monitoring of customer progress, (e) intervening if needed to adjust services, (f) evaluation of whether intensive services are sufficient or whether a case transfer is needed to another funding stream or to training services.

Staffing and Funding Intensive Services

Three different approaches are available for the staffing of intensive services: (1) centralized delivery of intensive services by the designated One-Stop career center operators or other contracted service providers; (2) coordinated delivery of intensive services by staff from a variety of different agencies identified as One-Stop system partners (both those located on-site at One-Stop career centers and those located elsewhere in the community); and (3) a combination of centralized planning/case management and coordinated delivery of the services included in the individual service plan.

Four of the nine case-study sites appear to use the first strategy, by depending on a single agency as the primary provider of intensive services in the One-Stop setting. In each case, the primary provider is the designated One-Stop career center operator. The Local Board in one of these sites also contracts with 12 additional service providers to support the delivery of intensive services in different neighborhoods of the city. One major benefit of having a single designated provider of intensive services in a local One-Stop system is the increased likelihood that this will lead to a coherent front-end for customer entry into intensive services. However, the designated provider may not always be well connected with other funding streams and provider agencies that can also pay for and provide intensive services.

The remaining case-study sites used a coordinated approach in which staff representatives from a number of different categorical programs participating in the One-Stop system make mutual referrals and informally combine their resources to meet the needs of individual customers who are eligible for multiple programs. In each of these sites, a designated One-Stop center director or manager is responsible for helping to coordinate the intensive services provided by different partners.

The third possible approach consists of centralized planning and case management and coordinated delivery of intensive services. Under this approach, one or more partner agencies would staff the assessment, career counseling, service planning, case management, and job search assistance parts of the intensive service process. The providers of case management services, in turn, would have formally articulated referral and/or purchase-of-service arrangements with other One-Stop partners to provide the pre-vocational, basic literacy, and work experience services customers need to prepare themselves for employment. However, none of the local sites we visited had fully realized this approach at the time of the site visits. Utah came the closest, by integrating the delivery of case management to customers whose individual service packages are funded by a number of different categorical programs. However, the programs participating in the integrated services design in Utah include only those programs administered by the state Department of Workforce Services. These programs include WIA, Wagner-Peyser, welfare-to-work, and TANF, among others, but do not include the state's vocational rehabilitation or education agency programs.

The last two approaches described above imply that the costs of providing intensive services will be shared across a number of different funding streams, but do not spell out explicit cost sharing arrangements. It appears that, rather than developing integrated budgets for the delivery of intensive services, most sites have made each participating agency responsible for the direct and indirect labor costs incurred by its own employees.

Challenges in Designing and Delivering Intensive Services

We encountered a number of challenges to designing and delivering intensive services under WIA. These include the following:

- *Providing a service menu that is varied enough* to meet the needs of customers at widely varying stages of work experience and skills development. WIA explicitly poses the challenge of serving both unemployed workers—who may need prevocational skills, literacy training, and work experience before they are ready to enter the labor market—and low-wage workers earning less than a specified self-sufficiency standard. The latter workers may need training information and career counseling to support advancement within their present occupation or they may need assistance selecting and preparing for a new occupation/industry that offers improved opportunities for earning a living wage. This creates tremendous demands on the staff providing intensive services for a broad range of occupational counseling skills and knowledge.

- *Identifying funding to support the delivery of integrated or coordinated intensive services* in local systems that are already feeling "stretched" by the requirement to implement universal access core services. One-Stop operators and their additional agency partners appear to be focusing on the design and implementation of core One-Stop services as the first step in implementing One-Stop systems under WIA. They have not yet given detailed attention to identifying funding streams to support the delivery of a broad menu of intensive services.
- *Making sure that the customers receiving intensive services can reach their employment goals.* WIA calls for the registration of all customers receiving intensive services, even those who may not be interested in or appropriate for participation in training. This creates new challenges for local systems to design intensive services that will help customers receiving intensive services to reach satisfactory employment outcomes, since these customers will be included, along with training participants, in the system-wide performance outcomes reported to the U.S. Department of Labor.

Training Services

The third tier of services for adults and dislocated workers, according to the WIA legislation, is training. The legislation describes a number of different types of training that may be provided through local One-Stop systems, including: occupational skills training, on-the-job training, training that combines workplace training with related instruction, skill upgrading and retraining, entrepreneurial training, job readiness training, customized training for one or more employers, and adult education/literacy training in combination with one of the above forms of occupational training. According to WIA program expectations, individuals for whom core and intensive services are not sufficient to reach individual employment goals will be assisted by One-Stop staff and partners in developing a training plan and applying for training resources under a combination of student financial aid programs, WIA Title I, and/or other publicly subsidized training programs.

One of the major changes required by the Workforce Investment Act is the implementation of individual training accounts (ITAs) as the new nationwide delivery system for training services under Title I. ITAs are designed to increase customer choice in the selection of training programs and to increase marketplace competition among training providers—leading presumably to higher quality training options that are also sensitive to consumer needs and interests. The legislation and regulations require that local areas use ITAs for the delivery of most types of training, with the exception of on-the-job training and customized training for employers. Additionally, local areas can

contract with specific training providers, if the Local Board determines that there are not enough training providers in the local area to support the use of an individual training account system or in order to purchase training services of "demonstrated effectiveness" for a particular subgroup whose members have multiple employment barriers.

The other major change permitted by WIA is the ability of local areas to approve training for low-wage workers, as long as their earnings are below the level defined as the self-sufficiency earnings level for their size household in the local area.

In this section, we (1) describe how states and local areas have guided the development of training delivery systems under WIA, (2) review variations in the training policies established by the case-study states and local areas, (3) describe variations in the specific arrangements for delivering training; and (4) identify challenges experienced in the implementation of training services under WIA.

State vs. Local Roles in Training Activities

In establishing policies to guide training delivery consistent with federal requirements, the state policies in the case-study states usually reiterated the overall types of training that could be provided under WIA and set state-level performance criteria for approval of vendors as eligible training providers. State-level agencies are also required to develop a statewide list of eligible training providers and to disseminate information about eligible providers to interested customers. In several case-study states, the state has also taken responsibility for developing an automated system that interested training providers can use to submit their initial and subsequent applications to local areas for inclusion on the eligible provider list.

Beyond those things, most of the states we visited have devolved much of the responsibility for setting detailed training priority criteria, designing eligibility and registration procedures, and operationalizing Individual Training Accounts (ITAs) to local areas, where policies are set by the Local Workforce Investment Board and operational procedures are developed and implemented by local One-Stop operators and/or the One-Stop partner agencies that administer training funds. Local Boards also generally determine the maximum level of WIA training support that can be awarded to a given registrant.

Two of the case-study states, however, provided particularly detailed policy guidance to local areas regarding training. In one of the case-study states, the state legislature specified that at least 50% of WIA Title I resources must be devoted to

training in each local workforce investment area. Another state requires all local areas to inform all One-Stop customers of their ITA status and send each customer with an approved ITA a periodic financial statement with information about the level of funds left in their ITA.

Training Policies

In this section, we review how case-study states and local areas have varied in setting the following training policies: deciding the amount of Title I funding to be set aside for training expenditures, setting required performance levels for approval of eligible training providers (ETPs), establishing individual customer appropriateness and priority for training, setting the maximum level of training subsidy and maximum duration of funded training that can be received by a given individual, and determining for what occupations training can be provided.

With respect to the first of these, most of the case-study sites did not formally allocate a specific portion of their Title I adult and dislocated worker funds to support training activities. In fact, several sites indicated that the amount of funding available for training during the first year of WIA implementation would be the residual left over after they had developed delivery systems for core and intensive services. The major exception is Florida, where the state legislature has required that at least 50% of all WIA Title I funds for adults and dislocated workers must be used for ITAs (covering tuition and direct student materials and supplies). However, the two local workforce investment areas we visited in Florida had each asked for and received adjustments to this policy to allow additional training-related activities to count toward the required training expenditures. These adjustments were requested because local conditions in each site made a 50% training expenditure rate unnecessary or inappropriate. [3]

Another training policy that local sites needed to establish related to the performance levels they set for approval of training providers. Training providers already approved for receipt of Pell Grants did not have to provide performance data to determine their initial eligibility as training providers under the ITA system. Because of

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[3] The request by the Miami/Dade and Monroe County local workforce investment area for an adjustment to the 50% training expenditure requirement pointed out that training provided by public educational institutions in this local area is inexpensive, that Pell Grants are plentiful, and many training participants have multiple employment barriers that require that substantial resources be invested in the provision of supportive services.

this, setting a required level of performance for training providers for inclusion on the ETP list was not a major issue during the first year of WIA implementation, but will become increasingly important during subsequent years. Based on the information we collected about the policies in place in the early implementation states, there is substantial variation in how stringent states are likely to be in reviewing provider performance. At one extreme, a state is requiring only a 20% completion rate during the first year for a provider to be included on the eligible provider list for the second year of WIA implementation. At the other extreme, a state has set a performance standard for initial and subsequent eligibility of providers at a 65% placement rate. In several instances, the local workforce investment areas we visited indicated that they were interested in establishing performance requirements for approval of eligible training providers that are more demanding than the levels set at the state level. For the most part, though, criteria for subsequent eligibility were still under development.

Local sites also developed specific procedures to establish individual customer appropriateness and priority for training. Receipt of one or more intensive services is identified in the WIA legislation as the required gateway into training services. Each of the case-study sites defined this gateway to training in slightly different terms, but in general, a decision to fund training occurs after a customer:

- Has developed a clear employment goal for which a specified training plan has been determined to be both necessary and sufficient, in terms of current labor market opportunities.
- Has received one or more assessments (e.g., an interview with a career counselor, a written assessment of basic skills, career interests, and aptitudes, and/or a review of work experience) that confirm both the need to receive training to realize the customer's employment goal *and* the customer's possession of the skills needed to succeed in training.
- Has attempted to cover the costs of training from other sources, including student financial aid programs.

Several of the local sites we visited have developed written "training services approval guides" to ensure that these steps have been completed and are documented in the customer's file. For example, the Individual Employment Plan used in the East Texas local workforce investment area includes a six-page section that One-Stop staff use to document receipt of intensive services, categorize the customer as an unemployed worker or a low-wage worker, document the results of comprehensive assessment, enter employment goals and objectives, and evaluate customer appropriateness and readiness for training. Similarly, a Training Services Approval Guide used by One-Stop staff in the

State of Utah documents the assessment of customer need and appropriateness for training and funding options and family support systems.

With respect to appropriateness for training, one of the potential challenges in providing occupational training using ITAs is the need to ensure that customers possess the basic educational skills required for successful completion of their selected training programs. Two of the nine case-study sites indicated that they have established basic educational requirements for individuals interested in training. One rural area requires customers to score at the 12th grade level on the Test of Adult Basic Education (TABE) before they can qualify for training. Another large urban area sets entry requirements for training ranging from 7th grade to 10th grade reading level, but will approve training for clients with lower reading levels if they select a training program that includes basic skills remediation.

The State of Utah has taken an alternate approach by approving and funding remediation of basic education skills through its One-Stop delivery system, using a variety of program funding streams. Individuals in Utah that are assessed as needing training to improve their basic skills to become employable may receive GED or basic skills services from any qualified local provider (not just a provider on the ETP list). No time limit is set for the completion of basic skills training.

Also as a way of governing access to training, local areas should develop policies regarding priority for training resources, but not all of our case-study sites had done so as of the time of the site visit. Several local areas stated that they would give priority to welfare recipients and low-income individuals as required in the federal legislation. By contrast, one local workforce investment board decided not to give priority to any particular group, but its procedures for approving training plans have "built-in measures" to assess the need for and appropriateness of training. At the other extreme, the Cumberlands local workforce investment area in Kentucky has developed a very detailed policy for determining priority for training resources. Under this policy—which goes into effect only after 50% of the local area's training funds are committed for the year—first priority for training funds goes to public assistance recipients, second priority to individuals with income less than or equal to 70% of the lower living standard income level, third priority to unemployed individuals with incomes less than 150% of the lower living standard income level, and fourth priority to any other individuals with earnings at or below the lower living standard.

Setting the maximum levels for funded training and the maximum allowable duration of training are other prerogatives of the local areas. As described previously, the states we visited let each local workforce investment area establish its own policies about how much training support any given individual could receive and how long training could last. In setting local policies, some Local Boards identified a total lifetime limit for WIA training support; others set an annual cap on training support, with or without a lifetime limit. Among the case-study sites, annual training caps were set at levels ranging from $2,500 to $5,000. Lifetime or two-year caps were set at levels ranging from $8,000 to $10,000. The maximum allowable duration of training was generally set at two years, although one local area will allow customers to complete a two-year training plan over a three-year period, if necessary.

Local sites, with assistance from the states, also determined the occupations that are consistent with the employment opportunities in the local labor market and have used this information to determine in which fields training would be funded. For example, Local Boards have designated which training programs will prepare participants for occupations in demand in the local labor market and/or developed individualized procedures to determine whether planned training will be likely to further an individual's employment goals. One state goes further, by allowing local areas to use training resources strategically to further local economic development goals, by targeting specific occupations, industries, or sectors for assistance under the ITA system. In this state, one of the local workforce investment areas we visited was considering focusing its training funds more narrowly to support the growth of economic sectors that offer high-technology, high-wage jobs.

Another area in which local areas appear to be developing different policies is whether adult basic education is provided as part of the One-Stop training system. The federal WIA legislation suggests that adult basic education—in the absence of linked occupational skills training or work-based learning—should be considered an intensive prevocational service, rather than a training service. Two of the case-study sites appear to support adult basic education services using individual training accounts. However each of these sites has emphasized that delivery of basic education services is not limited to providers on the ETP list and may be arranged through a variety of service delivery arrangements (e.g., contracts, referral to services available to the general public at no cost), in addition to being supported through ITAs.

Training Delivery Arrangements

At the time of the site visit, the new training delivery system was not fully operational in a number of sites, so it was difficult for us to learn about the details of the implementation experience under WIA. However, based on the information we collected, we discuss in this section (1) how local sites are managing the delivery of training services under ITAs; (2) the extent to which sites are using additional delivery arrangements for training; and (3) how states and local sites plan to monitor provider performance.

Overall, several of the case-study sites indicated that the transfer to ITAs occurred with little fanfare or problems, because the system is so similar to their prior arrangements for individual referral of clients to training under JTPA. One large urban area just renamed its former classroom training authorizations "ITAs." One of these sites noted, approvingly, that the ITA system provides the additional flexibility of being able to add a new eligible provider to the provider list at any time during the year. Additional features that were noted as providing additional flexibility for individual customers in one or more local sites include (a) the fact that obligated funds follow a customer if they move to another region within the state and (b) the fact that vouchers include the costs of supplies and—in at least one state—supportive services, in addition to the cost of tuition.

All local sites developed specific procedures for administering individual training accounts. At most of the case-study sites, once a training plan has been approved by a One-Stop career counselor or training advisor, the individual customer is provided with a voucher that he/she can present to the designated training provider for admission to the selected program. Several different arrangements have been made for providers to redeem the voucher. Under the system that is most similar to the individual referral agreements previously used in many local areas under the JTPA program, providers receiving the vouchers are authorized to bill the One-Stop operator or local workforce investment board for the cost of the tuition, books, and training materials/supplies needed for customer participation in the program. Several of the case-study sites were excited about plans to use "smart cards" as vouchers. Providers receiving smart-card vouchers will be able to use them for direct payment via electronic transfer of funds from the local Workforce Investment Board's training account.

Another important function for local areas to discharge as part of their ITA systems is to provide ongoing case management services to customers during the time they are participating in training and for 12 months after placement into employment. However, it

seems likely that the implementation of training vouchers will make it difficult to maintain direct feedback and reporting linkages between training providers and One-Stop staff about the performance of individual customers.

For this reason, it becomes all the more important to monitor provider performance. Several approaches for doing so had emerged among our case-study sites. Because the responsibility for maintaining the statewide eligible provider list is assigned to the state under WIA, the case-study states were moving ahead—at varying rates—to develop consumer report card systems and ways to communicate information about provider performance to individual training customers. Two of the case-study states are planning to develop consumer report systems that draw on automated wage records in the UI system in addition to performance data reported by providers themselves. Of the remaining states, several were still planning their consumer report systems at the time of the site visits. At least one state is planning to use provider self-reported data on performance as the primary input into the consumer report system. However, many of these systems are still in the development stage.

Local areas were also involved in monitoring local training providers' performance. One local workforce investment board has hired independent monitors to oversee training providers under WIA. Another state with a single local area has arranged for regional program specialists within the state's One-Stop operator to conduct a site visit to each provider applying for the ETP list for an on-site inspection prior to approval for the statewide list.

Also with respect to delivery arrangements, local sites can use alternatives to the ITA system, but plans for doing so had not yet been developed. Moreover, each of the case-study sites stated that ITAs would be the primary delivery vehicle for supporting customer training under WIA. Although most states and local sites agreed that training can also be provided in other ways (i.e., by arranging customized training for particular employers, contracting for training for particular groups whose members have multiple employment barriers, or negotiating on-the-job training contracts or paid internships), these alternative delivery arrangements had not yet gotten underway at the time of the site visits. Moreover, several sites indicated that they no longer used on-the-job training as part of their workforce development program or did not plan to use this type of training much under WIA. Only one site appeared to have a well-developed system for supporting what it calls "Work Site Learning," which includes on-the-job training, paid internships, apprenticeships, and unpaid internships.

Challenges in Implementing Training Under WIA

Some of the case-study sites were very enthusiastic about the use of individual training accounts under WIA. These sites indicated that implementation of ITAs was not problematic. In addition, they perceived ITAs as a way to require that providers deliver high quality training by holding them responsible for overall student outcome levels.

However, a number of sites identified concerns about implementing one or more features of their local ITA system or anticipated unintended negative effects as a result of using ITAs to deliver training under the Workforce Investment Act. These challenges included:

- *Anticipated problems in collecting information about provider performance to determine subsequent provider eligibility beyond the first year.* There is substantial concern among staff in a number of state and local One-Stop systems that the requirement to collect performance data on all students served by eligible training providers will prove to be too burdensome to providers and will cause providers to drop out of the ETP system. Respondents in one case-study site have documented a drop in applications for training offerings from 8,000 the first year to 1,000 the second year. Vendors that didn't get much business from WIA during the first year, they said, have little incentive to participate in the second year's ETP list.

- *Lack of sufficient funds to support training.* Among the case-study sites, this problem had two aspects. One aspect was a lack of clarity about the availability of training resources at the beginning of the first year of WIA implementation. This lack of clarity caused one state with a single local area to announce that there would be no funds available for training or supportive services for WIA adults during its first year of WIA implementation. Shortly before we conducted the site visit, this policy was reversed, because the state suddenly found that it had more funds than it expected. Such reversals left both customers and staff confused about what resources WIA had and what services it could provide.

  Another aspect of this problem was a rapid spend-out of available training resources in at least one case study site. In this site, customers receiving ITAs tended to be more likely to choose proprietary (expensive) training institutions than had been the case under previous training delivery arrangements. As a result, the local area had used up all its training funds several months before the end of the year. This local area hopes that as the consumer report system is completed, customers will be convinced that the public training providers offer a good value for less money, counteracting the current trend.

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  hange in the identity of the One-Stop system from providing training to

identifying training opportunities. Several local One-Stop partners indicated that the new training delivery system was leading to a major change in the way they thought of their functions and the way they explained these functions to customers. The Local Workforce Investment Board staff director in one site said, "We used to think of the provision of training as our major function. We are now are coming to realize that our primary way to add value to the system may be as an information broker and to link customers to information about sources of training and training resources, rather than providing training directly." A staff member from another local area expressed a similar point of view: "We need to educate our partners and the community as a whole that we can no longer be viewed as the place you go to get job training."

- *Barriers to using WIA resources to address literacy and basic skills training needs, which are key barriers to employment in some local areas*. One of the sites we visited was very concerned that the way ITAs had been operationalized—with a requirement for training in a demand occupation and an 80 semester hour limit—would make it difficult to use ITAs to address local literacy and basic skills training needs, which are a major barrier to employment for many local One-Stop customers.
- *Lack of enough available training providers to support an ITA system in a largely rural state*. Another state with a single local area found that ITAs were not well designed to work in the state, because the state lacked enough public and private providers of work-related skills to support a voucher system. This state is currently working with the local community colleges in the state to create six new vocational training centers around the state that will offer programs for incumbent and unemployed workers, as well as secondary and post-secondary students.
- *Time lags between submittal of voucher requests and issuance of checks to training providers*. The same state has found that its centralized system for issuing payments for training and related supportive services under WIA is resulting in too long a time lag between submittal of the voucher request and issuance of the state check.

Progress in Developing Employer Services

In contrast to their significant progress in developing One-Stop services for job seekers and employed workers as described above, most of the case-study sites appear to be in the relatively early stages of developing customer-driven services to meet the needs of the business community. Below we discuss three aspects of employer services that have received attention in the sites that have made progress in developing One-Stop services for employers. Although states and local areas do not always use this terminology, the concepts of automated self-service, core assisted, and intensive/training services appear to be useful in clustering the emerging approaches to employer services.

Automated and Self-Service Offerings for Employers

Most of the case-study states have been active in developing automated information and labor exchange services that they are marketing to employers as effective tools to help them meet their hiring needs. Among these services, usually accessible over the Internet, are the ability to post new job openings, review a pool of job seeker resumes, and initiate an individualized job match that links the skills of a pool of job applicants to the employer's specific job requirements. Additional information services that states have made available to employers through employer-oriented websites include labor market information, economic projections, tax credit information, information about training programs and training provider performance, and information about labor law compliance. Beyond this, several local case-study sites are trying to attract employers to come into their physical One-Stop centers by creating separate employer resource rooms and offering space within the center for employers to interview job applicants. However, staff in one local area revealed that few employers are currently taking advantage of this opportunity.

An obstacle to the greater use of One-Stop systems by employers appears to be that, although the number of job listings and resumes on their websites is growing steadily, only a small proportion of potential employer customers are currently aware of and using center services. This means that there are still opportunities to increase employer awareness and use of these services through effective marketing. As a marketing strategy, one site is trying to inform employers about its self-service tools by sending "business consultants" out to employers' workplaces to show them how to access automated One-Stop services from their own computers. More generally, private employment agencies appear to be one growing employer segment that is finding the automated resume listings available through One-Stop centers to be a useful tool. One of the case-study sites is actively cultivating its relationship with several employment agencies that offer One-Stop clients access to permanent jobs by marketing "temp-to-perm" staffing services.

Assisted Core Services for Employers

Under the system that preceded the initiation of One-Stop services, each workforce development agency generally provided its own menu of staffed employer services, conducted its own outreach to employers, and developed its own pool of repeat employer clients that found its services useful. In some cases, this led employers subjected to the traditional system to complain that they did not have a single point of

contact for seeking workers and that they were bothered by frequent contacts from multiple publicly funded employment programs.

Two of the case-study sites we visited as part of this study were so early in the development of One-Stop employer services that they had not yet identified a single point of contact for employer services within their local One-Stop system. However, the majority of the case-study sites have begun to develop integrated employer services to overcome this problem. They are beginning to build a seamless system of employer services by making a single person or agency the point of contact for employer services within the One-Stop system. For example, in one local site, the contracted One-Stop operator is the designated agency responsible for employer services. One or two employer services staff from this agency conduct outreach to employers, introduce local One-Stop services to employers, and set up personal relationships with employers as customers for One-Stop labor exchange services (which include recruitment, screening, and assessment of job applicants), information services, and assistance with downsizing.

In another local site, a regional Business Service Coordinator coordinates the work of employer service staff located in each of the local One-Stop centers in the region. Employer service staff within the local One-Stops work either as "business consultants"—who market employer services and recruit consultants—or "business account representatives"—who maintain contact with active employer accounts and follow up with employers by phone to ensure that their needs are being met. A number of sites have found that employers like the personalized attention they receive when they work with the same account representative each time they contact the One-Stop center.

A third site is using an interagency employer services team of One-Stop partners to plan and oversee an integrated employer services system within the One-Stop center.

Staffed core services for employers generally include individualized employee recruitment and screening services, information and counseling on a wide range of issues relevant to business operations (e.g., government regulations, subsidized training programs, tax breaks, economic projections and labor market information), and assistance with downsizing. One of the local sites we visited plans to offer screened job referrals to all employers. To implement this service, they plan to conduct a 15- to 20-minute interview with each job seeker who requests staffed services and document key

information in a job seeker database. Additionally, several sites offer periodic group meetings or workshops for employers on topics of interest to local employers (e.g., how to develop a child care strategy to improve worker recruitment, retention, and productivity). Employer workshops and meetings are also viewed as important opportunities for employers to network and share information with each other about effective practices.

Across all the local case-study sites, One-Stop centers provide staffed core services to all employers in the local area at no cost.

Intensive and Training Services for Employers

Some of the local sites we visited have also begun developing a menu of more intensive or more specialized services that they offer to employers. Examples of these services include (1) more intensive assistance recruiting and screening job applicants (e.g., job profiling and screening individual job seekers using the Work Keys assessment system); (2) business consultation services (e.g., assistance designing flextime or dependent care programs, information on customized training opportunities, assistance with on-site conflict resolution); or (3) customized training services for new or incumbent workers. Generally, the case-study states have left the development of these intensive employer services up to the local areas. They have also left it up to local areas to decide whether or not to charge a fee for intensive services for employers.

In theory, as employers become more involved in the services available from One-Stop centers, they will begin to work as active partners with public workforce development entities to identify and address local problems. Such a partnership has been developed in the Dallas County, Texas local area to address the problem of a severe labor shortage faced by employers at the DFW Airport. To address this problem, the Local Workforce Investment Board hosted a breakfast to encourage the formation of a "DFW Coalition" with participation by employers, government and community representatives, workforce development representatives from three adjacent counties, and the local transportation agency. The Local Board received a grant of $1 million from the U.S. Department of Transportation on behalf of the Coalition to address barriers to working at the airport. The funds were used by the Coalition to launch 24-hour a day express bus service between downtown Dallas and the airport. As a result, employers have been able to hire over 600 new workers for a variety of jobs at the airport. The result of this partnership has clearly benefited both workers and

the business community. In the process, it has also increased the visibility and credibility of the local One-Stop workforce development system as an effective broker for employer interests.

Challenges in Developing Employer Services

As noted above, local areas are at different stages of developing integrated employer services within their One-Stop systems. Challenges that they are facing in developing these services include the following:

- Increasing the visibility of the system to employers and marketing self-service tools to a broad range of local employers.
- Convincing the business community that local One-Stop partnerships can provide more than "job referrals."
- Developing a varied menu of intensive services that address workforce development issues of vital interest to the local employer community.

Meeting these challenges will require an incremental process of building trust and goodwill between the business community and the One-Stop system. A local case study site that indicated that Wal-Mart is the only local employer that currently recruits workers on-site at the One-Stop center is not likely to become a broker overnight for high tech/high wage jobs in the community. But, as demonstrated by the success of the DFW Coalition in Dallas, if local One-Stop systems listen to local employers' priority concerns and develop effective solutions, the business community will be more readily at the table as an active and enthusiastic partner and customer of One-Stop services.

Progress in Building Youth Service Systems

The local workforce investment areas we visited for this study were still in the early stages of designing youth services at the time of our site visits. For example, as we discussed in the previous chapter, local Youth Councils were still in the process of being formed or had only just started to meet, and plans and frameworks for youth services under WIA were just starting to be developed. Nevertheless, several key themes stand out.

First, almost without exception, both states and local areas are trying to develop plans and frameworks for local youth service systems under WIA that draw on a wide range of program resources and youth service partners. WIA Title I youth activities are being viewed as only one of many programs and funding streams that need to be coordinated to provide the services described in the Workforce Investment Act to

further the goals of helping disadvantaged youth complete a high school education, master workplace competencies, and transition successfully to post-secondary education or the workforce.

There are several reasons for the emphasis on pooling resources to develop comprehensive youth services. One reason is the ambitious nature of the requirement that local areas provide year-round youth services, including not only dropout prevention and tutoring services to promote high school completion, but also mentoring and follow-up services throughout the year following a youth's participation in WIA services. Another reason is the wide-ranging nature of the services to be provided, including services that address academic, occupational, and personal issues, such as drug and alcohol counseling. A third reason for pooling resources and coordinating diverse partners is the need to create a broadly focused feeder system that will reach a large number of potential youth participants, as well as intensive service programs that work with a relatively small number of youth over an extended period.

Key partners and funding streams that are being brought into the process of planning youth services under WIA include local school districts and their resources, School-to-Work implementation grant partners and funds, youth-serving organizations in the community, local Youth Opportunity partners and grants, Job Corps programs, welfare-to-work programs and resources, local Carl Perkins programs, and foundation funds. Within the framework of these pooled resources, WIA Title I funds are being used to develop a matrix of existing resources and services, identify key community needs and service gaps, and fill specific gaps in the local youth service system.

A second key finding is that many local areas are having to abandon their previous summer youth programs and reinvent their youth service designs to meet the requirements for comprehensive year-round services contained in WIA. The case-study sites are using several different strategies to support the development of new program designs. One state had developed an RFP to support demonstration projects for economically disadvantaged youth. The purpose of this RFP was to develop models for linking youth to local labor market needs, strengthening linkages between academic and occupational learning, and strengthening community youth programs.

Another state piloted a successor to the summer youth program in one local area. The pilot involved WIA partners, schools, and non-profit organizations in the

development of a youth program that resulted in demonstrated competencies as well as ½credit toward high school graduation.

In another local area we visited, the local School-to-Work partnership is a key player in designing year-round WIA programming for youth. The STW partnership received a foundation grant to develop models for blending School-to-Work activities with WIA-funded activities to provide year-round youth activities. In the particular model they are developing, STW funds will be used to provide activities during the school year and WIA funds will be used to provide educational work experiences to 50 to 60 youth during the summer.

Similarly, a major urban area that previously had operated a large and successful summer youth program issued a new RFP under WIA to seek youth service providers to build year-round programs for youth that incorporate work experience, project-based learning, limited internships, and hands-on learning oriented toward seven targeted emerging or growth industries in the local labor market.

A third key finding is that local Youth Councils and Local Workforce Investment Boards are selecting a wide variety of organizations to provide WIA-funded youth services. Several of the local areas we visited have contracted with a consortium formed by the public school district and other youth service providers to provide youth services under WIA Title I. Another local area has selected a local organization that is the designated local School-to-Work partnership as its contracted provider of youth services. In two local areas, the local One-Stop operator will play a key role in the delivery of youth services. This role will include providing eligibility and enrollment services to youth in one local area, and acting as the primary provider of youth services in the other. One large urban area that had $4.8 million in youth service funds selected eight different youth service contractors including a mix of community-based organizations and public and private educational institutions.

A fourth finding is that local One-Stop systems vary in their emphasis on building bridges between One-Stop centers and the delivery of services to youth, even though they have involved the youth program as a required One-Stop planning partner. All the local sites we visited were aware that economically disadvantaged youth 18 and over will be eligible for services under both the youth and adult WIA programs. Several of the case-study states have strongly encouraged local areas to draw on the automated resources developed for adults in One-Stop resource rooms and on the Internet in

serving younger youth as well. As a result, one local area has hired a consultant to design a website targeted to youth and all 12 One-Stop centers in another state are working to create an area within the One-Stop center that is dedicated to youth.

Challenges Faced in Building Youth Service Systems under WIA

The case-study sites identified two important early challenges they are facing in designing and implementing youth services under WIA:

- *The need to inform potential partners, young people, and their parents about the existence of the WIA youth program.* In many local areas there has been substantial media coverage of the termination of the previous summer youth program and little coverage given to the new program of comprehensive year-round youth services under WIA.
- *The need to develop strong relationships with local schools and School-to-Work partners in developing youth service systems under WIA.* One urban site that does not already have such strong relationships in place lamented the fact that it will have to dismantle its summer program that served thousands of youth every summer and start from scratch in building a year-round program. Given the lack of existing working relationships with schools and School-to-Work partners, this local area saw its two options as "spreading services very thin across a significant number of youth or designing a much lower volume more intensive youth program." Staff said, "We don't much like either of these options!"

Progress Realizing the One-Stop Service Principles

In the concluding section of this chapter, we review the progress made by the local case-study sites in realizing the service-related One-Stop objectives under WIA of offering streamlined services, empowering individual customers, and ensuring universal access. These themes are not new to many local areas that were already implementing One-Stop systems prior to the passage of the WIA legislation, as we discussed in Chapter III. However, now all states and local areas are charged with realizing these principles in their One-Stop delivery systems.

Offering Streamlined Services

The Workforce Investment Act calls on state and local policy boards to develop a comprehensive workforce investment system that offers streamlined services. The features of a One-Stop delivery system that the legislation identifies as being essential to streamlined services include: (1) collocating programs and providers within comprehensive One-Stop career centers; (2) coordinating and integrating activities and

information across programs and providers; and (3) delivering services through a coherent system that individuals and businesses can access easily.

Without exception, the sites we visited are reforming their workforce development services and delivery arrangements to increase the coherence of services from the customer perspective and to simplify customer access to services. The early implementation states and local areas that we visited have developed a variety of different strategies for achieving streamlined customer services. These strategies differ widely in the degree of organizational consolidation and functional integration they are using to achieve the delivery of streamlined services.

Some case-study sites are achieving seamless customer services by developing a highly integrated service delivery system following clear state guidelines for consolidating the staffing and operations of different workforce development programs. At one extreme among the case-study sites we visited are local sites in Texas and Utah, which are working to meld the staff from a variety of individual programs and providers into a highly integrated service delivery system for the delivery of both core and intensive services within comprehensive One-Stop career centers. Although staff often remain on the payrolls of a variety of different One-Stop partners and operators, these organizational identities are intended to be invisible to the customer. The customer service functions provided by staff and the job titles they are given within these integrated service delivery systems are defined independently of the program funding the services, to the fullest extent possible. Customers are not likely to be aware of what funding stream is paying for their services until it comes time to determine who is eligible for training subsidies.

Other sites are promoting more flexible coordination among One-Stop partners through operational plans developed and adapted at the local level. This strategy for the delivery of seamless services is exemplified by the Three Rivers Local Workforce Investment Areas in Pennsylvania, where the consortium of One-Stop partners designated as the One-Stop operator for each comprehensive One-Stop center has developed a shared local business plan and memorandum of understanding that describes how staff from the individual partners will work together to provide each of the services offered by the center. In contrast to the highly integrated service delivery strategy described above, local One-Stop operators and partners using this strategy develop a highly flexible coordination plan for sharing service delivery responsibilities.

We also observed the use of this strategy in several rural case-study sites, where long-standing personal relationships among the staff of One-Stop partner agencies helped promote seamless services, without the need for formal organizational restructuring.

Empowering Individuals

The federal legislation calls for local workforce investment systems under WIA to empower individual consumers: (1) by providing them with easy access to good information about the available core, intensive, and training services within One-Stop centers and within the community; (2) by allowing them to direct their own services by accessing a combination of self-service and staffed service options; and (3) by increasing their ability to choose among demand occupations and qualified training providers, through the use of lists of eligible training providers and approval of individual training accounts (ITAs).

All the case-study sites recognized the need to reorient workforce development services around customers' needs and interests, rather than making customers fit into preordained program descriptions and service sequences. This was a major culture change for which some local sites and staff of some programs were more prepared than other sites and other program staff.

In addition to the implementation of individual training accounts, which we have already discussed in a previous section of this chapter, the service delivery strategies that local sites are developing in response to the principle of empowering individual customers include the following: (1) the use of a greeter or other resource person to welcome first-time users to the center; (2) the preparation of orientation materials, tours, and group orientation sessions; (3) the assignment of staff to assist individuals using "self-service" tools within designated resource rooms; and (4) the development of one or more staffed services to provide career counseling and/or offer a "gateway" to intensive services.

Virtually all centers have established greeter positions so that staff can welcome visitors to the center and help individuals decide where they should go first upon arriving at the center. In most centers, professional staff are currently rotating through this position on a daily or hourly rotation schedule. A number of centers are still struggling with how to use this position most effectively. They have identified this position as a fairly demanding one—a greeter needs to be familiar with all participating

partner programs and services and needs to have good social and counseling skills—but have not always determined how to make effective use of the greeter's time during periods of particularly low visitor volume or particularly high visitor volume. Some centers use or plan to use volunteers or program interns to staff this position (most commonly participants in senior community service employment programs).

Development of orientation materials and workshops is somewhat less widespread. We observed substantial variation in the amount of attention that local One-Stop centers have paid to developing orientation materials and holding orientation sessions for new visitors. Some centers oriented new visitors using a number of different modes, including handouts of calendars with scheduled workshops and classes; group or one-on-one staffed orientation sessions; electronic tours of available self-service resources; and development of signs, posters, and guidebooks to make customers aware of available center resources. Other centers said they wait for individual customers to inquire about the availability of services beyond the self-service tools in the resource room before they provide information about additional services. We expect that as the core and intensive service menus are elaborated and as individual service offerings mature in One-Stop centers under WIA, staff may become more proactive in informing customers about the available services.

All the centers we visited recognize that "self service" is a misnomer. Most customers require at least initial staff support in using the resources available in a One-Stop resource room. Particularly the first time they use the automated tools in a self-service resource room, customers are likely to need substantial assistance from a staff member acting as a resource person. Like the greeter position, most centers rotate staff through the resource room on a periodic basis, rather than having the same person staff the resource room all the time. In some of the sites we visited, staff who have previously had a rather directive role in relation to clients are having to learn new skills as they try to be helpful and offer assistance to customers without telling the customers what they should be doing.

Several local sites that we visited use career counseling services to offer a "gateway" to intensive services. These sites support the principle of consumer empowerment by making an individual or group assessment and career counseling session available as a core service to any interested One-Stop customer. Other sites view individual staff counseling as a strategy for informing customers about the existence of intensive services and as part of the eligibility screening process that

culminates in access to intensive or training services. Although it is available to any customer interested in intensive services in these sites, career counseling is not designed as a stand-alone core service.

Ensuring Universal Access

The third major guiding principle for the delivery of services under the Workforce Investment Act is that core services provided by the One-Stop delivery system should be accessible to any job seeker in the United States as well as to any employed person seeking to advance his or her career. Strategies developed to promote universal access that we observed in the case-study sites included the following: (1) providing remote access to One-Stop self-service information and tools over the Internet; (2) providing broader geographic access to One-Stop services by developing satellite or mini-centers; (3) offering extended hours of operation during the evenings and on weekends; and (4) facilitating access to individuals with disabilities and individuals not fluent in English.

Providing remote access to One-Stop self-service information and tools over the Internet was emphasized in all sites. Virtually all the states and local areas we visited are working feverishly to develop the potential of the Internet as a delivery system for career and labor market information. In one form or another, the Internet is becoming the backbone for the delivery of automated self-access information and services to One-Stop customers. Particularly for reaching employers—who can be expected to have access to computers and modems—Internet-based information tools offer the potential to reach large numbers of new customers cheaply, easily, at any hour of the day or night.

Some states have developed automated user-friendly Internet-based modules for all One-Stop customers accessing self-service tools—both those accessing services within comprehensive One-Stop centers as well as those accessing services from home or from another community location. This approach means that all customers throughout the local area or state can access automated One-Stop services in the same format and have access to the same high quality information about employment opportunities, labor markets, careers, training opportunities, and One-Stop services.

Other states or local areas have developed Web sites for remote users that constitute "virtual One-Stop centers" that offer a coherent array of information and services for those individuals who never set foot inside a physical One-Stop center.

Virtual One-Stop centers can also be tailored to the needs of particular customer groupings, such as youth or older workers.

Providing broader geographic access to One-Stop automated services and some staffed services has been promoted through the development of "mini-Centers" and satellite locations in the community. A number of the local workforce investment areas that we visited have developed an extensive network of full-service and satellite or mini-service One-Stop sites to increase the geographic accessibility of One-Stop services. For example, one suburban county included in the study is developing a network that includes three full-service One-Stop centers, seven satellite offices (in staffed sites that represent some but not all One-Stop partners), and three unstaffed "hubs." By using satellite and hub sites as locations where customers can access automated services and some staffed services, this network is expanding the service points at which customers can access One-Stop services to include schools, libraries, public housing projects, and locations accessible to residents of smaller communities.

Most of the local areas we visited have already developed more than one comprehensive One-Stop center within the workforce investment area. However, in one early implementation state without a preexisting One-Stop service delivery network, there was an initial rush to meet the required minimum of having at least one operational full-service center per local workforce investment area. In both local areas we visited in this state, plans are being made to expand the number of full-service and satellite service sites to improve customer access. One metropolitan local area in this state is planning to add a number of neighborhood mini-centers operated by local community-based organizations. Another local area that consists of five largely rural counties will be opening a full-service center in each of its counties.

To expand access to One-Stop services even farther, some local areas have established a schedule to have One-Stop staff be outstationed at community organizations in remote communities once a week or every other week. At least one of the local areas we visited carries its One-Stop computers and automated services on the road using a mobile van that has a scheduled series of stops in remote communities. One rural community has given laptop computers to each welfare worker, so that they can bring automated One-Stop information tools into the homes of low-income adults receiving welfare benefits as part of scheduled home visits.

One of the key challenges for One-Stop networks with multiple service sites is whether and how the different sites will work together as part of an integrated system. Some of the local sites we visited emphasize the importance of having a standardized "look," menu of services, and service procedures across all service sites within the local area. Other networks welcome diversity among centers, as long as the One-Stop principles are realized within each individual center. Generally, to be able to provide seamless services to customers within a geographic service area, the different One-Stop comprehensive and satellite centers are being connected electronically so that they can exchange customer referrals and customer and service information as needed.

Within the Miami-Dade and Monroe Counties' One-Stop system, the use of video-conferencing hookups has emerged as a powerful tool for linking customers to specialized services. Because not all services and classes are available at all 38 One-Stop centers in the local system, the network has arranged for every center to have a video-conferencing system. Using video-conferencing hookups, customers in one center can "attend" a workshop offered in another center or meet with a staff member from a specialized program that is not represented on-site in their own center. The high-speed connection between sites enables individuals at each end of the connection to see and speak with each other in "real time."

A few centers promoted universal access by offering extended hours of operation during the evening and on weekends. One of the local workforce investment areas we visited had arranged extended hours of operation as a strategy to make One-Stop services more accessible to customers. In this local area, the comprehensive One-Stop center was open one evening a week as well as Saturday mornings. The local area also was negotiating with community-based organizations for the operation of neighborhood mini-centers that would also be open during some extended hours of business. The comprehensive center took an informal survey to find out who was using its resource room on evenings and weekends, and found that a high percentage of these customers were working individuals who were looking for better jobs. As more and more local areas make user-friendly services available to customers 24 hours a day via the Internet, it may be that offering extended hours of operation at physical One-Stop centers is becoming less important as a strategy to increase customer access.

A number of state and local One-Stop systems have invested in strategies to facilitate access for particular groups that might otherwise have difficulty accessing WIA services. Of the early implementation states we visited, Vermont stands out as a

leader in making sure that One-Stop centers are equipped with a variety of assistive technology tools to enable centers to serve individuals with visual, hearing, and other sensory and physical disabilities. In areas with large populations of non-English speaking clients, like Miami and Dallas, local One-Stop boards and One-Stop operators have emphasized the importance of staffing One-Stop centers with individuals who are bilingual or multilingual. The creation of satellite centers operated by community-based organizations in minority communities has also been used to ensure that One-Stop services are accessible to individuals who might otherwise not find their way to the comprehensive One-Stop centers.

SUMMARY

During our visits to six early implementation states and nine local areas, we observed how state and local areas are moving rapidly to roll-out One-Stop customer services under WIA, including developing detailed menus and delivery procedures for core, intensive, and training services for adults and dislocated workers, comprehensive year-round services for youth, and a broad range of services for employers. The use of the three tiers of core, intensive, and training services under WIA requires individual customers to play an active role in selecting and managing their own services. To make informed decisions, customers need access to accurate user-friendly information about the local economy, job opportunities, education and training resources, and assistance available from One-Stop system partners.

Overall, states have given substantial discretion to local areas in designing and implementing One-Stop services that address local economic conditions and promote customer empowerment. Implementation of a wide range of core and intensive services for adult and dislocated workers appears to be proceeding smoothly in the case-study sites. Challenges being addressed in the design and delivery of core services include making the service menu varied enough to meet the needs of different customers, balancing the availability and delivery of staffed and self-service activities, and developing procedures to draw on a variety of different programs and funding streams in the delivery of a coordinated menu of core and intensive services.

WIA calls on local areas to increase customer choice in accessing training support by implementing individual training accounts for the delivery of training funded under WIA Title I. A number of the case-study sites are very enthusiastic about this change. Other sites are concerned that the mechanics of implementing ITAs may lead to reductions in the number of participating training providers, because of burdensome

performance reporting requirements. It was too early to document how the use of ITAs is changing the types of individuals participating in training, the types of training providers used and types of training provided, or the number of individuals receiving training under WIA.

Particularly in sites that had already made substantial progress in implementing One-Stop career center systems prior to passage of the Workforce Investment Act, the development of integrated customer services under WIA does not appear to have required abrupt changes in design and delivery of customer services. However, for other sites, WIA has required more substantial changes in how the public workforce development system views itself and how it advertises its services to customers. Rather than advertising themselves as "the place to go to get job training," these centers are in the process of redefining themselves as the place to go to get information and help in brokering a wide range of career and skills development services.

VI. PROGRAM ADMINISTRATION AND SUPPORT

The passage of the Workforce Investment Act has affected the way states must carry out their administrative responsibilities, including those related to performance accountability, management information systems, the collection and dissemination of labor market information, and state and local capacity building efforts. The way states and local boards are held accountable for their performance has dramatically changed with WIA. Changes to the performance management system, as well as changes in the structure of services and the way they are delivered, have provided impetus for states to redesign their systems to manage information. The new legislation has also placed a greater emphasis on the provision of labor market information to customers. And states have had to enhance the expertise of their state and local policy makers and staff, inculcating a statewide vision consistent with WIA, as well as helping administrators and staff to carry it out. This chapter addresses the early implementation states' response to these changing responsibilities.

PERFORMANCE ACCOUNTABILITY

The Negotiation Process

The Workforce Investment Act prescribes a process of negotiation between the Department of Labor and states, and between each state and local areas, in which measures of program performance are determined. This is in keeping with an overall move toward increased state and local flexibility and independence, while assuring accountability for performance. The Department of Labor issued instructions on the negotiation process, in which it identified data sources and methods states could use to calculate baseline measures for WIA Title I performance.[1]

The negotiation process requires the state and federal players to take on new roles, however, and no clear process for negotiations has been developed. In the early-implementation states, the experience of negotiating standards with DOL was varied. Respondents in four of the six case study states felt the process went reasonably

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[1] Training and Employment Guidance Letter No. 7-99 addressed the implementation of core and customer satisfaction performance measures. Training and Employment Guidance Letter No. 8-99 addressed negotiation of core and customer satisfaction performance measures, and information on federal use of incentives and sanctions.

smooth, with adjustments made to states' proposed performance levels during the negotiation process. Pennsylvania's experience with the DOL regional offices was especially collaborative, with the regional office taking part in analyzing the data to estimate reasonable baseline levels for the state. However, in two states, respondents felt that DOL was less than helpful in the process. For example, one state submitted proposed levels repeatedly, only to have them rejected by the DOL regional office with little explanation or guidance. Ultimately, the state requested that DOL propose levels, which the state then chose to accept without further negotiation.

The process that states used in negotiating performance levels with their local boards did not always encourage independent local planning or flexibility, in that states used a top-down approach. Three of the four states that negotiated with local boards (two states are single-workforce investment area states) first determined their States' overall performance levels before determining or negotiating the performance levels of each local area. In only one state—Texas—was the approach to first negotiate with local boards on their levels of performance, before determining a proposed level for the state's overall performance.

However, even when empowerment of local boards was the states' intent, the negotiation process itself did not seem to contribute to increased local control. Both state and local players seemed unsure of how the negotiation process was to proceed, and little communication about the process led to very little real negotiation. In one state, the two local boards we visited felt that there was little or no room for negotiation—they felt they were simply told by the state what their targeted outcome levels were. In another state, state staff were surprised that local boards did not seem to want to negotiate performance levels, while local representatives felt there was no room for negotiation when the state proposed outcome levels to them. Curiously, this state provided adjustment models to its local boards, but local boards adopted performance standards equivalent to the state's.

Additional Performance Measures

Although states have moved toward consolidation of state-level policy-making and administration, only one of the case study states has so far addressed the integration of program performance. Florida has developed a broad set of performance measures that apply to all agencies and programs involved in the state's workforce development strategy. Under the state's Workforce Florida Act of 1996 and amendments to it after the passage of WIA in 1998, Florida established a tiered set of performance measures.

The first tier measures performance across all workforce programs and initiatives, and includes outcomes such as placement and job retention. The second tier measures outcomes applicable to the state's strategy to promote successful entry into the workforce and to align education and training programs with occupations that advance individuals' careers and build a more skilled workforce. Additional process and output measures and program-specific measures required by federal or state law are included in the third tier. Because WIA performance measures are represented in this system, few changes were required with the new federal legislation.

Other states have largely concentrated on negotiating and measuring WIA Title I performance only, although at least two states plan to adopt broader measures in the future. Pennsylvania plans to develop measures for system responsiveness and return on investment. The state board has established a performance evaluation sub-committee that has identified five system-level indicators designed to track performance, including the proportion of employers using the workforce investment system, the proportion of job-seekers using the system, the proportion of job-seekers receiving intensive or training services, the timeliness in filling job orders, and the proportion of relatively high wage jobs filled through the One-Stop system's labor exchange function. Utah plans to develop additional measures as part of its efforts to institute continuous improvement tools, and intends to hold its five regional councils responsible for addressing them in their local plans. Kentucky has not ruled out additional performance measures, but has not made a final determination.

Customer Satisfaction

All of the early implementation states recognize that collection and assessment of customer satisfaction data can be useful in evaluating their programs. Several states had been surveying their customers prior to the passage of WIA, and are expanding their efforts. At the state level, Texas has conducted annual surveys of job-seekers since 1995, and so is well prepared to broaden its reach to its employer customers. Utah already had conducted annual point-of-service surveys to its job-seekers and annual mail surveys to employers prior to WIA. Kentucky has also been surveying its customers, and including the three questions prescribed by DOL to measure customer satisfaction for performance purposes.

Local areas in Texas and Florida had taken the initiative to survey their customers prior to WIA as well, although the survey content and methodology vary. For example, the Dallas local board has been surveying its job-seeker and employer

customers for several years about their satisfaction with specific services available in its One-Stop centers. They have updated their surveys to include the three questions required by DOL, and intend to continue to conduct their local data collection and analysis of customer satisfaction data. The East Texas One-Stop operators have a point of service survey available to their customers, although this local board appreciates the value of the state's effort in the data collection and analysis. In Florida, Miami/Dade has been tracking customer satisfaction using a four-question survey as part of its continuous improvement efforts, and Polk has been surveying its customers regarding its One-Stop's general orientation and program specific orientations and services.

State-level measurement and assessment of the satisfaction of customers was not fully developed at the time of our visits in several states, however. As noted above, Kentucky has surveyed its customers, but its methodology has varied, and its plans to contract out this function were not complete. Pennsylvania does not yet have a system in place to measure customer satisfaction, but its plans include examining additional dimensions related to customer satisfaction, such as relationship building, building customer loyalty, accessibility and complaint management, among others.

Continuous Improvement

The early implementation states have taken the mantle of continuous improvement seriously. As noted above, all states are undertaking the evaluation of the satisfaction levels of their customers, and local boards are taking the initiative of collecting and evaluating customer satisfaction data in two of these states. However, several states anticipate that the use of performance measures, calculated using UI wage record data that are up to a year old, will be less than useful in their continuous improvement efforts. They feel that their programs will have been modified over the period between clients' services and the outcome measurement, and fear that they will, thus, have trouble tracking customers' experiences to the measured outcomes.

In several sites— Polk County in Florida, and the states of Texas and Pennsylvania—the adoption of the Baldrige Criteria for Performance Excellence fits into a formalized continuous improvement strategy. Texas has also set an improvement of 1% for all performance measures for all local areas and One-Stop operators.

Efforts are underway in some local areas to develop additional performance measures to be used in continuous improvement strategies, including Pennsylvania's

Northern Tier and East Texas. The state of Utah is developing "key business process" tools to measure the dimensions of service delivery and support functions.

MIS Development and Operation

State Data Systems

With the implementation of WIA, several of the case study states have chosen to make major changes to their management information systems, such as to provide universal access to core services by developing capacity for computer-based services. States have also attempted to streamline customer access to services by integrating information management across partnering agencies, and build the capacity to track service delivery and provide case management. And, of course, states need these systems to help them monitor and report program and financial data. However, the priorities states have set for implementing changes to their systems that enhance service delivery or integrate systems vary among the states, and states are at different stages in realizing them.

Pennsylvania has focused first on using their systems to provide computerized services that customers can access directly, including expanded labor market information and labor exchange services. Pennsylvania began developing its system using its One-Stop Implementation Grant to develop the different applications, acquire resources, network the system, and establish security and train staff in its use. Pennsylvania's job-seeking customers can view job openings, register for services, learn about employers registered with CareerLink, create or modify resumes, access on-line skills assessment and job search workshops, as well as view labor market information and follow links to other career-oriented web-sites. Employers can register for services, post job openings, post and edit individual job orders, post information about their companies, access listings of business resources and technical support services, and view labor market information and follow links to employer related web sites.

Pennsylvania plans to implement additional system modules to help staff manage service delivery, with program eligibility and case management tools, and modules for the states' Consumer Reports on training providers and links to partnering agency systems, such as UI and School-to-Work. The system will provide the capacity for managing and reporting program and financial information as well.

Two other states have made the integration of their systems across partnering agencies the priority, so that data from a number of workforce development programs can be entered and accessed. For example, Texas has developed a system it calls The Workforce Information System of Texas (TWIST) to be used by state, local boards, center operators and staff, and which is the primary system used to track client participation in Wagner Peyser and WIA. And while the TWIST system is not used primarily for TANF and Food Stamp programs, data from Human Services programs are uploaded daily to the TWIST system, so that users have access to these data. The TWIST system is used to determine program eligibility, register clients for services, and conduct case management.

Because Vermont had a highly integrated system under JTPA, and was pleased with the way it functions, it chose to implement only some modifications to manage information under WIA. Vermont's system integrates all data for DOL-funded programs—WIA Title I, UI, ES and others. Users of this data system also have access to data from its TANF database, so that complete histories of program participants are available to staff with a single inquiry.

Two states—Kentucky and Utah—have emphasized both the integration of data across programs and the availability of computerized core services. Utah will soon launch a more integrated system—called UWorks—to house data from several programs, including WIA Title I, Wagner Peyser, and TANF. This system will be able to exchange data with systems that house benefits information for TANF, Food Stamps, and other programs, so that changes in eligibility or employment status can be noted by staff across programs. The new system will also be used to provide on-line labor exchange and other services to customers, including core services to job-seeking clients, such as registration, resume development, and access to employer job orders and employer application information. Training provider information will also be available. Employers can search the job-seeker database to generate lists of qualified candidates for jobs. Job-seekers who do not find appropriate job matches through self-directed services are "flagged" to receive assistance by a job counselor.

Kentucky is developing its system under the federal-state partnership effort to create a One-Stop Operating System (OSOS). Its version of the system—Employ Kentucky Operating System, or EKOS—will incorporate the needs and serve as the primary system of a number of Kentucky's WIA partners, including Vocational Rehabilitation, Adult Education, WIA Title I, and Wagner Peyser programs. The

system will serve as a case management tool, tracking clients through services, providing mechanisms to help job-seekers search for an employer, access specific job orders, and the like. The system will also be used to provide services to customers directly—job-seekers can view job openings, create or modify resumes, access on-line skill assessment, job search workshops, and labor market information. Employers can register, post job openings, list business resources and technical support services, and access labor market information. The system will also allow for on-line submission of an application for approval as a training provider.

Local Accountability and Control

States intend to use revised data systems to monitor and report local performance levels. For example, Texas uses the TWIST system to monitor One-Stop center performance, to identify high-performing local boards that may have developed best practices, and to address operational issues early on. In addition, several states hope their systems will be useful to local boards and One-Stop centers in monitoring programs and managing client information. However, several local respondents noted that these goals were not yet being reached.

Local use of states' systems is problematic in at least two states. One state with a highly integrated data system seems to lack the operational capacity to serve state and local uses. The system is very slow, and periodically goes down completely. In another state, local operators had regular difficulty connecting to the state's system.

Access to data is not sufficient in several other states as well. Local respondents in one state in which data are not completely integrated noted that the system is not effective for those served by multiple programs. Access to UI wage record data is problematic for local respondents in at least three states, who felt that because they have no control over the collection of data, and no access to data collected, they cannot verify states' estimates of their performance. And while all states have formal agreements in place to utilize UI wage record data, one state has been unable to come to a data sharing agreement with a neighboring state, and so will be hampered in calculating performance levels.

Some problems local boards have with states' MIS are related directly to the transition to new systems and ways of operating. For example, in one state with a less than fully developed new information system, local boards are using the old JTPA system to track customers through services. Because multiple staff are responsible for

entering this information into the new system, the local board has faced data quality issues that have affected calculated performance and other aggregate information.

Also related to the transition, local respondents in three states expressed dismay with insufficient documentation, training and technical assistance in the use of state systems. In one state, reporting software is available, but difficult to use, especially in producing ad hoc reports. In another state in which local program operators had used independent systems, local respondents were especially dubious about a new state-wide system, and reported having received no training at the time of our visits. Local respondents in a third state reported regular problems using the system, and were frustrated by the lack of technical assistance from the state.

Despite these frustrations, at least two local boards we visited are taking responsibility to enhance their states' MIS. For example, in Florida, a coalition of local boards is lobbying to improve their state's information systems. The Dade/Monroe local board in this state is implementing the Virtual One-Stop system to link all of its One-Stop centers, hoping to provide a state-wide model. Pennsylvania's Northern Tier has considered implementing a "swipe card" system to track customers' use of core services.

Labor Market Information

While two of the six early-implementation states are still developing expanded strategies to collect and disseminate labor market information, four states have already dedicated significant resources, using combined funding sources from BLS and ETA, and for at least one state, One-Stop implementation grant dollars. For example, Texas has a staff of 83 in its LMI Division to collect data through employer surveys and UI wage record data, among other sources. Utah has assigned economists to each of its workforce regions to collect and analyze data, and provide routine and ad hoc reports for state staff and customers. In Florida and Pennsylvania, regional and local economic development agencies participate in the collection of labor market data.

States are stepping up their efforts to disseminate labor market information in computerized, user-friendly formats. The Vermont Economic Research Information System (VERIS) was developed using One-Stop implementation grant money. It includes three modules: the job seeker module, with economic and labor market information tailored to assist individuals as they look for work; an inquiry module that provides a wide array of labor market information, such as occupational statistics and

projections, and occupational and income data; and an analysis module that allows more advanced users to perform detailed research and analysis of all available labor market information. Texas provides LMI on its Texas Workforce Commission web site, and has developed an Internet-based system for job seekers, called TRACER, which allows searches of employment by workforce areas, metropolitan areas, and state-wide. It provides descriptions of jobs, employers and locations, salary ranges by occupation, and particular employment opportunities.

States have continued to provide information in more traditional formats as well. In Utah, for example, quarterly reports for each county are developed and mailed to employers and others. These reports include analyses of labor markets and economic trends, including labor force information, such as employment and unemployment rates by industry, and building construction and gross taxable sales. Utah also produces a monthly newsletter, the *Utah Labor Market Report*, that provides current statistical and narrative analyses of happenings in the Utah labor market. Texas also produces a regular newsletter, the *Texas Labor Market Review*, and provides in-person telephone technical assistance and voice recordings.

While many local respondents were impressed by their states' wealth and availability of labor market information, respondents in two local areas felt the information their states' published was less than completely accurate. Respondents of one urban site noted that LMI the state published should be more current. In another mostly rural area, local respondents felt the numbers did not reflect the extent of poverty in their area.

Capacity Building

Addressing Change under WIA

The early-implementation states are working hard at developing the capacity of their workforce development systems so that they address WIA implementation issues and meet customers' needs.

To facilitate coordinated local planning and oversight, states have tailored capacity building efforts to the needs of local boards, local elected officials and one-stop partners. All states with local or regional planning bodies have provided materials, such as training packets or orientation manuals, to help newly appointed board members understand the implications of WIA, and the state's vision of the new workforce investment system. In Pennsylvania, the state has included strategies for

developing a community needs assessment in its training packet. Individuals involved in local planning and oversight have also been provided with tailored information on the performance measurement system and the performance evaluation process in Kentucky, Pennsylvania and Texas.

Several states have addressed the need for the integration of services within the One-Stop framework so that customers get the services they need, without concern about the specific program or funding stream supporting them. States are providing materials, technical assistance and training that address issues faced by multiple agencies when they attempt to provide streamlined services to customers. For example, Pennsylvania has disseminated technical assistance guides for various aspects of system-building, such as cost allocation and MOU development. The state has also purchased consulting services from those who have expertise in crafting One-Stop systems in the past, and now provides it to local players to assist them in planning and partnership development and administrative issues. Each local area receives five days of consulting time from Corporation for a Skilled Workforce as part of local implementation grants to assist local areas in developing partnerships and business plans and addressing cost allocation issues.

States are also helping to prepare local areas to develop systems that incorporate themes of high performance work, such as customer service and continuous improvement. Pennsylvania and Texas have issued training on the Malcolm Baldrige Criteria for Performance Excellence for local boards, local elected officials, one-stop partners, operators and staff. Pennsylvania, Texas and Vermont have provided resources to help One-Stop centers improve customer service. In Polk County, Florida, where staff capacity building mirrors WIA tiered services, "intensive" services for staff development consist of motivational and job enhancement training. This training includes time and stress management, effectively dealing with customers, dealing with change, and working with special groups. The goal is to help staff clearly see how they can contribute to the overall goals of the system, and contribute to higher performance outcomes.

Several states have addressed the theme of universal access to core services by developing extensive cross-training for all employees serving customers through One-Stop centers. Florida, Pennsylvania, Texas and Vermont have made concerted efforts to train staff in basic competencies required to serve customers through UI, ES and WIA Title I systems. For example, Florida has developed curricula and conducts

regularly scheduled courses for all state and local WIA and partner staff. Florida's curricula address four general areas: 1) workforce development programmatic training, 2) Unemployment Compensation curriculum, 3) management information systems and technology assistance training, and 4) associate development and basic computer software training. These training modules are generally one-half to one day in length. They include general, system-level information, such as the Workforce Investment Act of 1998 and an overview of Unemployment Compensation, to instruction in very job-specific skills, such as Word for Windows software, MIS screens and data input, or fundamentals of claims processing.

Approach to Capacity Building

Three of the early implementation states have focused to a large extent on individual staff development, particularly the training of local staff in job-specific skills and systems. As noted above, Florida regularly conducts training for staff in its MIS and technology assisted services. Vermont provides a tiered system of staff training to all One-Stop center staff, which addresses different levels of training needs as staff gain more experience in the workforce development system. Level 1, Career Resource Center Employee Training, has three modules that provide resources and assessments for new employees and their managers, to ensure all DET employees function at a minimum level of expertise. New employees are helped by "mentors" at each One-Stop center to help them negotiate their new jobs and responsibilities. At Level 2, Career Development Facilitation Training, employees are trained using a curriculum designed by the National Occupational Information Coordinating Council, after which they are certified as career development facilitators. This level of training includes 120 hours of instruction on subjects such as labor market information and resources, assessment, program management, and other subjects related to workforce development, training and management.

Utah has also developed an extensive set of training curricula for its Department of Workforce Services staff in a number of areas. The content of "core" curricula for staff depends on specific job functions. Workers participate in the curriculum modules that address the skills relevant to their job responsibilities as well as general Department of Workforce Services policies.

In contrast, Texas has developed resource materials and training to address system-level policy and administration, rather than focusing on specific skills that staff will need to do their jobs. The state has developed a series of technical assistance

guides, such as procurement and contracting and ITA system building, and has produced a "New Board Member Orientation Manual" for local boards on the workings of Texas under WIA. Texas has conducted training on a variety of subjects as well, such as how to provide comprehensive youth services and Malcolm Baldrige principles, and plans several more, such as on performance measures and contracts and management. It has set priorities and timelines to address policy and operational issues that have been identified by local boards, and has provided ongoing ad hoc on site and telephone and e-mail technical assistance. The state recently instituted quarterly forums in which local One-Stop centers can find assistance in maintaining certification under the new legislation, and in which the state can hear opinions about policies.

Kentucky's Office of Training and Reemployment is focusing primarily on system-building, and has developed a number of training packages, such as those for introducing local boards and One-Stop partners to specific WIA concepts such as performance measures and cost allocation. While Kentucky has disseminated technical assistance guides, issued a number of other guidances, and utilized consultant services for addressing areas such as the state's management information system, cost allocation and eligibility determination, it has not yet fully developed system building supporting strategies.

SUMMARY

The early implementation states have made significant strides in developing administrative systems that support the transition to WIA in the areas of performance accountability, information systems, labor market information and capacity building.

Some states and local areas have been measuring customers' satisfaction for some time, and although not all systems are yet in place to meet performance measure criteria, the importance of this evaluation, especially in its use in continuous improvement efforts, is well recognized. And several states and local boards have begun formalizing the continuous improvement process by adopting Baldrige criteria or other measures.

States are making major changes to their management information systems that are consistent with the vision embodied in the new legislation. One state has so far focused on recreating MIS to facilitate the delivery of services. Two others focused more on bringing together parallel and disparate systems into a more comprehensive one, making a priority of integrating programs on this functional level. Two more have

adopted a broader initial strategy, developing their customized systems to integrate partners' data and provide computerized services to customers.

Most of the early implementation states have instituted significant efforts to collect and disseminate comprehensive labor market information. Most of these states have developed multi-pronged approaches to digest economic and labor market data and provide the information in ways that are accessible and useful—computer-based systems that can provide individualized information, traditional newsletters, and LMI staff available by telephone to answer specific questions.

Most of these states have also developed a wealth of resources and conducted training and other means to build the capacity of their workforce systems. States have addressed system-building issues by developing resources that address coordination of local planning and oversight, and promote integration of services and continuous improvement. Several states have developed extensive curricula that provide cross training for staff in basic competencies required to serve customers through ES, UI, and WIA Title I, or have created formalized and ongoing individual training programs for local staff that focus on specific skills that staff will need to do their jobs.

States face some difficulties related to the transition to a new system, however, and some key challenges remain in bringing a WIA vision to fruition. The performance accountability system is still under development for the most part. To a large extent, states and local boards have just muddled through the first negotiation process, unsure of just how to proceed. While all of the states successfully developed statewide and local proposed measures as a first step, states had a wide range of experience negotiating state performance levels with DOL regional offices. And in several local areas, the balance of power seemed to favor the states, even when the state intended to recognize a need for more local input and control. In addition, a more comprehensive system of measuring performance has not been developed by most states; only one state has broadened its system beyond that required by WIA Title I.

States also face severe challenges in implementing new management information systems as well, as the bugs are worked out. Moreover, states need to bring state and local staff up to speed in the use of these systems, especially as new application modules are brought on line.

VII. STW AND ITS LINKAGES WITH WIA

The 1994 School-To-Work (STW) Opportunities Act was designed to help all young people make the transition from school to careers and lifelong learning by promoting the integration of work-based and school-based learning and academic and vocational curricula, and the creation of formalized links between high schools and post-secondary educational institutions. The intent of the legislation was not to create a multitude of new programs, but rather to build on the experience of existing models and efforts, such as TechPrep, Career Academies, and Youth Apprenticeships, among others. To do so, the initiative provided funds to create systems that enable youth to receive education that is more closely linked with real-world opportunities and that provides better preparation both for future educational endeavors and for future careers.

STW federal funds were distributed to states beginning in 1994, with five-year grants being awarded in response to state STW proposals. States used this money to fund local STW partnerships ranging from multiple counties or districts with dozens of schools to single school districts. There is a sunsetting period after the five-year funding for each state, and no more federal funds were intended to be spent on STW activities beyond this period. This demonstrates that the initiative was not intended to create new add-on programs but instead was intended to consolidate efforts already underway and systemically infuse schools with new principles better linking academic learning and workplace skills and experience.

Although not a required partner under WIA, STW systems may offer a useful resource to WIA efforts because of their already-existing partnerships and collaboration efforts, as well as their knowledge of system-building, service coordination, and services available to youth. However, specific language in section 129 of the WIA regulations asserts that "None of the (WIA) funds...may be used to provide funding under the School-to-Work Opportunities Act...or to carry out...activities that were funded under the STW Opportunities Act unless (they) serve only those participants eligible to participate in the programs under (WIA)." As a result, it may be that some states and/or local areas see the two programs as incompatible.

As part of this study we examined in each of the case-study states and local areas the STW systems, including their history, context, and focus, as well as the extent to which STW officials were involved in the planning or governance of or service

provision under WIA. As may be expected, the STW programs and the involvement in WIA of STW officials and/or programs varied dramatically across the states and local areas. In this chapter, we provide an overview of STW efforts to date across the six states and nine local areas, and describe the degree to which STW officials or systems have been involved in the planning, governance and service delivery under WIA. The chapter is divided into three primary sections. First, we provide an overview of the STW programs themselves and a summary of the degree to which there are plans to sustain the efforts after federal funding has ceased. Second, we describe the specific linkages in each of the sites between STW and WIA planning and service delivery. Finally, we provide summary observations across the six states and nine local areas we visited in the first round of data collection.

Overview of STW Programs and Plans for Sustainability

Although this chapter should not be taken as a documentation of all STW efforts in the states and local areas we visited, we did collect data pertaining to the history of STW efforts in these areas, as well as the context in which it operates, some of the emphases of the efforts, and both STW and other public officials' attitudes toward the future of STW. In this section, we detail some of our findings concerning this general context of the STW programs.

Most of the states we visited had well-established STW programs that had been operating for several years. The majority of the states had received STW funding by 1995 and thus STW had been in operation for at least 3 or 4 years by the time of our visit. One important aspect of this relative maturity of the programs is that it implies most were nearing the end of their 5-year federal grant allocations and, thus, had to face the decision to either eliminate STW efforts or sustain them in some way. As a result, in those areas in which the desire was to sustain efforts to date, much thought had already been expended toward how exactly to do this and with which agencies or institutions STW could partner to ensure programs, activities, and networks already established could be continued after the cessation of federal STW funds. In a few case-study sites (mostly at the state level), it was unclear whether there was sufficient interest in sustaining STW efforts; in these areas there were fewer efforts underway and no explicit plan for linking with others in order to sustain STW principles or activities.

In those sites in which interest in sustaining STW was high, there were a variety of reasons cited. One common theme was that in those areas in which STW efforts were linked seamlessly into the overall educational context, rather than added onto

already-existing educational activities as a separate and discrete program, there was greater interest in sustaining STW. This fits with the general thrust of STW from the federal perspective in that STW was intended as a systemic reform rather than simply an added program attached to an otherwise unchanged curriculum. Often, this seamless integration was found in sites in which STW efforts were put into place in concert with or at approximately the same time as other forms of educational reform. Although it is unclear what specific other reform efforts were underway in these sites, the fact that they were associated with greater willingness to sustain STW may be somewhat surprising given that many reform efforts (i.e., rigorous accountability or performance reforms) tend to undermine STW. However, this larger context of educational reform may have ripened the site's willingness to adopt new methods of education, and allowed the area to see the potential for STW to play a significant role in educational reform. Indeed, one of the comments echoed by several respondents in areas where efforts to sustain STW were underway was that it was so linked with other educational and community agencies and programs that funding or time was required to ensure that the interwoven structures did not collapse from the removal of STW. This was not an issue in areas in which STW was simply an add-on program.

Similarly, in several sites, STW was well established in a larger agency that gave it enough authority to link educational and labor policies and programs. This stability and substantial authority may allow STW systems to more easily impact educational efforts in the area. For example, Kentucky's STW system was originally placed within a cabinet that includes both educational agencies as well as labor agencies, and was relatively directly under the authority of the Governor. Thus, STW officials both had access to relevant partner agencies and they also had the authority of these agencies as well as the Governor in their efforts. Because the STW office has remained in this same cabinet, it could benefit from the stability necessary to implement activities that require time before reaching full maturity.

Other sites have allowed STW to remain in a single location, but this has been in, for example, the Department of Education, rather than in an inter-agency consortium. Although this arrangement provides some stability, it may be more difficult from within this agency to make necessary linkages to businesses or other outside agencies, including those in the community, that help to increase the effectiveness of STW, and make the impetus for sustaining STW efforts stronger. For example, in one state in which STW is located within a sub-agency under the Department of Education, there

seemed to be very little knowledge about exactly what were the accomplishments of the STW program. Further, there was little direct contact between STW and outside agencies, particularly WIA and other workforce development programs. It seems plausible that the relative isolation of the STW agency helped in part to create this situation.

Further, in other sites STW has been re-located from one agency to another over the course of the STW grant. For example, in one state STW began as a program directly reporting to the Governor. Later, it was relocated under the Department of Employment and Training. Such shifting may have caused delays in implementation or a lack of ownership of the program. Generally, in those sites in which the program had been moved from one location to another, progress had not been great and optimism over its future was not high. Primarily any such shifting occurred at the state rather than the local level. Perhaps because STW, like WIA, enables local areas to retain much of the control over activities, the local partnerships have a greater sense of control over the project resulting in less likelihood of bouncing the program from agency to agency.

Views Toward STW

As might be expected, the views toward STW expressed among officials in the sites we visited varied dramatically. Some officials expressed profound satisfaction with and optimism about STW and its efforts, while others were more tepid in their appraisal of STW. There was no obvious pattern to the variance in views concerning STW, except perhaps that local areas tended to be somewhat more active and, likely as a result, more positive in their assessment of STW than were state officials.

Several local areas were quite positive in their assessments of the effects of and possibilities for STW. Many of these areas had established well-developed STW systems, either through the impetus of businesses in the area or through strong local planning concerning STW. Additionally, many of the areas expressing more positive views toward STW were rural locales that had a relative paucity of businesses in the area. Perhaps because of this, there was great cooperation among the schools and the business community in an effort to ensure that youth exiting schools would be well prepared for the jobs that would be available to them. This cooperation can benefit both youth and businesses and there seemed to be mutual recognition of the potential benefits of such joint efforts.

Other areas seem less satisfied with the impact of STW and less optimistic about its future. One state refused comment on whether or not STW would continue in any significant form after the cessation of STW grant funds. Officials in this state expressed some disappointment with what they perceived to be the federally-driven nature of STW, arguing that to be successful, STW must be a "locally-grown" program. This is an interesting observation given that many believe STW has very few federal requirements and, instead, much of the decision-making rests at the local level. Regardless, perhaps as a result of this perception, STW in this state is not viewed very positively.

Additionally, among the local areas we visited, urban sites generally seemed less favorable toward STW than did rural ones.[1] Officials in one urban area described the STW program as having been "unsuccessful," resulting in a good deal of talking, meeting, and planning, but little actual change. In some ways, this area felt that STW never even got off the ground. In a second urban area, officials were having trouble even spending the money they were allocated, in part because of the relative lack of activities being sponsored or implemented by STW. Though this area still has several years left in its STW grant, the extent to which it will have much impact may depend greatly on whether the range of services officials attempt to provide under STW is expanded.

Efforts Toward Sustainability

Several strategies have been attempted or put in place to ensure the sustainability of either STW programs or principles. These strategies fall into one of three categories: supporting STW services through contributions or fees paid by participating schools; securing additional outside funding; or folding STW into the larger educational system.

With respect to the first of these, a few areas have established plans to sustain their STW systems by promoting contributions by individual schools to support the local system. For example, the Northern Tier area of Pennsylvania requires participating schools to "buy into" the STW system by paying $1 per student and

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[1] It should be noted that given the very small number of sites in our sample it is very difficult to know whether this assertion is generalizable to other urban or rural sites that were not visited. However, the distinction does appear important among the limited number of sites we visited in this first round, and we will continue to examine this in later rounds of data collection.

$1,000 per apprenticeship utilized by its students up to a maximum payment of $10,000 per year. There is no limit on the number of apprenticeship opportunities a school can have within a year, but no school is required to pay more than $10,000 per year. Similarly, in Texas, many local areas collect $4 per student and $12,000 per school as a way for participating schools to support the local STW system. This method ensures that funds are secure for STW activities, even beyond those injected from a national STW grant. Thus, collecting financial support from participating schools is one way that STW programs in the areas we studied can be sustained.

A second strategy for sustainability involves securing other sources of funding, outside of the federal STW grant or contributions by participating schools. This generally has been accomplished by obtaining grant money from other sources that are either STW-related or youth-focused, and applying some of these funds to further STW activities. For example, in the Cumberlands area of Kentucky, some funds from a Youth Opportunities (YO) Demonstration Grant have been used to promote STW activities. These YO funds apply over several years and, thus, STW activities can be promoted to some degree over that period despite the fact that STW grant money will no longer be available. Kentucky's STW officials, generally, have encouraged their local partnerships to identify alternative sources of funding in an effort to sustain the STW activities that already have been implemented, but for which STW-specific funding will soon cease. Also, in at least one site, the state has supplied money to schools or partnerships in an effort to maintain the efforts of STW.

Still other areas have adopted a different approach to sustaining STW efforts. Under this approach, STW programs or activities are folded into the larger educational system, not to dissolve the efforts already in place but, rather, to ensure that even after STW funds end many of the principles will continue within the educational system. For example, in Miami/Dade county, the public school board has agreed to incorporate the costs for the existing STW staff once the STW grant has ended. In this area, officials anticipated little if any change in overall STW activities or goals upon cessation of STW funding. Additionally, in Rutland, VT, one of the major programs emerging from STW, the Capstone Initiative, which is an ambitious STW effort, has been fully integrated into the local school system and no longer relies upon STW grant money for operation. Here, too, then, efforts begun as a result of STW funds have been adopted by the larger school board or into the school budget and thus are ensured of remaining even after STW funds disappear.

Some of the areas we visited, however, were less focused on STW sustainability, and even suggested that they may not be interested in sustaining the efforts made by STW officials. In these areas, the common complaint was that, although STW had made a big splash early, or had entered onto the scene with lofty expectations, little had changed as a result of the program, and this disappointment led to less enthusiastic support for STW generally. Other sites have been besieged by a hostile anti-STW campaign organized by advocate groups who believe STW is an inappropriate approach for educating youth. In some of these sites, it seems clear that area officials have grown weary of defending the program and thus have made little effort to identify avenues for sustaining the efforts that have been made to date.

In few cases have there been any changes made to STW programs in direct response to WIA. Rather, several sites indicated that there was little need to alter STW, but that STW could provide some useful resources and information to WIA planners and policymakers. Thus, while they are not acting to revise STW, they are attempting to apply the lessons learned from STW efforts toward planning under WIA. Some of these efforts are described in the following section.

Linkages Between STW and WIA Planning

STW has been linked with WIA in a variety of ways, including by having key STW officials serve in the WIA planning process or on planning boards both at the state and local levels, and through the coordination of services or activities between STW efforts and those geared toward youth under WIA. Of course, the degree to which these linkages have been established varies by site, and in a few sites there is little or no overlap at all. A description of some of these efforts, including both those sites that have established linkages with WIA and those that have not, is provided below.

Planning

Several sites we visited were clear in their opinion that WIA could be a useful avenue for sustaining STW. Additionally, officials in these sites asserted that STW had made extremely useful contributions to the WIA planning process by lending knowledge of youth service delivery as well as providing access to already established partnerships among agencies and community organizations that serve youth. In these sites, it was common for there to be great overlap between STW officials and WIA planners. For example, in Polk County, Florida, there is substantial overlap between the STW partnership and the local WIA Youth Council. According to both STW and WIA

officials, the leaders of the STW partnership have quite successfully directed the Council toward implementing many STW goals and principles.

Similarly, in Cumberlands, Kentucky, there has been substantial overlap between STW officials and planners both on the local board and the Youth Council. This emphasis on STW within the planning bodies under WIA may have influenced the board to identify the STW partnership as the youth service provider under WIA. This relationship will be discussed in more detail below.

Also, there is extensive overlap between STW and WIA in the Northern Tier area of Pennsylvania, in which STW members serve on the local workforce investment board as well as the Youth Council. Additional STW representatives regularly attend both board and Council meetings, despite having no voting privileges.

Further, in Rutland, Vermont, the STW partnership and the local planning board are actually the same agency. Because Vermont is a single-area state, there are no local workforce investment boards. But the state has nonetheless identified agencies to serve as local planning bodies for WIA, and in the Rutland area the Rutland Region Education Alliance (RREA) was tabbed for this duty. Despite the fact that they serve as a local planning body for WIA, however, they receive no WIA funds. This body also is responsible for overseeing and coordinating STW in the region, and it is STW funds that support the various efforts of this alliance. Thus, there is essentially perfect overlap in the area between those responsible for STW and those responsible for WIA planning. Clearly, there is ample opportunity here for the principles of STW to be incorporated into or at least influential in planning for WIA.

Another variant that ensures significant overlap between WIA and STW occurred in Dallas. In this site, the local board incorporated the STW partnership, thereby ensuring that the principles of STW would not be lost. Here, as in Rutland, Vermont, the two planning bodies now function largely as a single agency resulting in essentially perfect overlap in membership between the two.

In the Miami local area, prior to the passage of WIA the Jobs and Education Partnership Board already was in charge of the STW systems in Miami-Dade and Monroe counties. Upon passage of WIA, the Youth Council was established as an expansion of the STW committee simply by adding to the pre-existing committee additional representatives from a slightly broader range of organizations whose services impact youth in the region. Thus, the core of the Miami Youth Council is the STW

partnership that was in place before WIA was even passed. The influence of STW therefore is likely to be felt through planning for WIA. Indeed, in its request for proposals to select a youth services provider for the area, the Council asked for explanations of how the principle of work-based learning and the integration of work experience with education would be accomplished.

Still other sites made it very clear that STW had informed WIA planning and served as a vital resource for WIA officials not used to providing services for youth outside of summer employment programs. For example, at the state level, in Vermont the HRIC made certain that there was substantial representation of STW officials on the Youth Council. Both the state director of STW and one of the local partnership directors sit on the Council, and several other Council members have had significant experience with the STW program. According to most representatives, these individuals have extensive experience in developing public-private partnerships, which is quite useful under WIA, and have made a very deliberate attempt to ensure that the principles of STW are incorporated into the Youth Council's approach. Additionally, the STW contingent in Vermont has lobbied to include an even greater presence of private sector members on the Council. This represents an obvious example of how the lessons learned from STW implementation and operation are influential upon the planning activities of WIA officials and boards.

Similarly, at the state level in Kentucky, the state Director of STW, as well as several of the local partnership Directors, serve on the state Youth Council. Also, the state Director was a key member of the WIA Implementation Team, designated by the chair of the Cabinet for Workforce Development, and chairs the Youth sub-committee to this Implementation Team. Indeed, she wrote the plan for youth in the original WIA plan. Clearly, then, there has been active involvement of STW officials in WIA planning at the state level (and, as described above, at the local level as well). Moreover, the state Director has held training sessions for WIA officials on the ways in which STW can inform and benefit WIA planning and service delivery.

While other sites were less adamant about the mutual influence or opportunity between STW and WIA, there was at least overlap in membership among STW boards and WIA boards or councils. For example, in Florida, although not all officials expressed satisfaction with the efforts of STW, there still is substantial overlap between STW and WIA planning bodies. Specifically, several members of the state's Youth Council have been actively engaged in STW efforts. Perhaps as a result of this

overlap, the Youth Council decided to sponsor two workshops at the state's annual STW conference. Other state efforts underway at the same time, including the Youth Workforce Challenge which has as a major component the acquisition of basic workplace skills and experience for all students in the state, also seem to ensure that the principles of STW will continue as WIA becomes more established in the state.

Finally, in the remaining sites, there was at least a single individual who served both in STW partnerships or agencies as well as WIA. Generally, this overlap took the form of a prominent STW official - very often the state Director - having a seat on the Youth Council. However, in some cases, this seemed to be the extent of the overlap and it was unclear in many instances whether or not the interests of STW were being advocated, or whether any lessons learned as a result of STW were being communicated to policymakers under WIA.

Officials in one local site indicated that although there were a few STW officials on the Youth Council, there was little support given toward ensuring that STW ideas or principles had a prominent role in WIA planning. In some cases, then, simple overlap in membership may not be enough to ensure that any progress made by STW efforts is sustained or linked with WIA. Further, in one state, there was little communication at all between STW and WIA planners. Neither group seemed to know much about the other, and it was clear there was little or no influence of STW on WIA.

Service Design and Delivery

While there is substantial overlap in membership between STW and WIA, there is somewhat less coordination or overlap in service provision. Where it was in evidence, this coordination occurred primarily at the local level because this is where services are delivered, and took one of three forms: the STW partnership is awarded the contract and funded to actually provide youth services under WIA; the STW partnership and WIA agencies cross-refer individuals between the two programs, with each program picking up an individual at varying points in their service history; and, finally, One-Stop centers refer to the local STW partnership those youth who could benefit from STW opportunities. Each of these will be discussed in turn.

First, in two of the nine local sites we visited, the STW partnership was awarded the contract to provide youth services under WIA. Thus the partnership can link services under WIA with those under STW, to the extent this benefits the youth being served. In both cases, we visited the sites prior to the time when many WIA youth

services were being delivered so it is impossible to determine exactly whether such coordination exists, but it seems quite likely that some linkage would exist between the two sets of services.

In one site, Polk County, Florida, the local STW partnership, in conjunction with the local Board of Education, formed the Polk County Young Leaders Consortium, which was awarded the WIA youth services contract in the area. The STW partnership has developed an extensive set of goals and objectives for their program, many of which were to be incorporated into the WIA youth services contract as well. Among these STW goals are to:

- Implement an effective marketing plan.
- Establish ongoing, continuous training for all stakeholders.
- Ensure infusion of STW into all curricula and courses, by introducing all students to career clusters and employability skills by the time they are in the 11th grade.
- Acquire funding as needed to sustain STW.
- Establish and implement clear, measurable, and well-defined accountability expectations.
- Maintain the STW partnership.

According to the STW officials in this area, these goals will be furthered much more easily because they have been awarded the contract to provide youth services under WIA. Because STW is intended for all youth, while WIA youth money is focused on disadvantaged youth, the two programs are not entirely interwoven. But the resources and partnerships that are so vital to STW can be leveraged as local workforce development planning bodies modify their services to serve disadvantaged youth under WIA.

The STW partnership in the Cumberlands region of Kentucky also has been designated as the youth services provider under WIA.[2] Here, too, there is great optimism about the potential for coordination between the two programs, as well as some concern about just how to modify STW activities to accommodate WIA's mandate

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[2] This partnership actually covers only 12 of the 13 counties in the WIA local area, but because it represents the vast majority of the area and for simplicity we refer to it as the STW partnership for the area.

that the focus in youth services must be on disadvantaged youth. Much of the partnership's effort to this point has been on planning, as no WIA services for youth had actually been delivered at the time of our site visit. But there are plans to provide year-round activities for approximately 50-60 youth who will also receive work experience during the summer.

These two sites clearly have a link between services under WIA and those under STW. However, this link exists only among youth populations. In other words, there is no apparent overlap between services provided by the contractor in these two sites and other services provided under WIA to adult clients. Thus, there is no coordination or overlap between these youth-oriented services and any services provided at One-Stop centers. Further, there is no coordination between these youth services and any adult services that may become important as youth grow too old to be eligible for youth services or develop needs that are outside the bounds of the youth services provided. Although in these cases STW and WIA youth services are nearly completely integrated, then, there is no guarantee that these services can be linked in any meaningful way with other services that may be useful or necessary.

However, another site, the local area of Rutland, Vermont, provides an example of a program that does integrate and coordinate services between STW and WIA adult and youth services. This dropout recovery program is managed by a team of individuals representing both the STW agency as well as One-Stop centers in the area. This team works to identify students who are at risk of dropping out or who have already dropped out of traditional schools. Participants receive case management and are either enrolled in a customized program attempting to help them obtain their GED while also working, or encouraged to attend one of the alternative high schools in the area. The case management stretches across programmatic boundaries, and enables individuals to have access to services under STW or WIA, including those services that are available through the One-Stop center. As individuals' needs change, they can be referred to other programs or services that better match their interests.

This program is an example of service coordination between STW efforts and WIA activities. Services can be provided to individuals by different programs at different times, and representatives from different agencies keep track of the clients as they move throughout the larger system. However, the continuation of this program is threatened by the end of STW funds. Because the fiscal agent for STW money is also the primary agent in the dropout recovery program, the end of STW funds may also

spell the end of the program. There has been no effort to date to ensure the program's continued existence using alternative sources of funding, such as WIA youth or adult funds.

The third mode of service coordination or integration may well emerge in the Northern Tier area of Pennsylvania. Our visit pre-dated actual service provision under WIA in this area, so the description is based on what the area planned to do, rather than specifically what was occurring. But there were several plans in place that would link STW with WIA services. For example, although there will be no STW representative located at the One-Stop center, youth who are looking for services from the One-Stop center will be referred to their local STW Coordinator to identify available services or resources. According to STW officials, they plan to ensure that all STW resources or services are available to any youth that enters the One-Stop center. Additionally, there are plans to install computers in the schools to enable youth to have electronic access to the One-Stop centers. This will allow students to use the self-service function much as any adult actually at the center would use it. While funds remain separate between STW and WIA, then, there clearly were plans at this site to ensure that youth receiving services under one program had full access to the services of the other.

Outside of these examples, however, there was less evidence of service coordination between STW and WIA. In most areas, the overlap between the two programs existed only at the planning level. In part, this may have been due to the fact that several sites had just begun or had yet to begin providing services under WIA at the time of our visit. Thus, there was as yet little opportunity for service coordination. But in some sites there was no acknowledged plan for coordinating services and in some cases officials seemed somewhat baffled as to how such coordination might happen. As mentioned, in some of these sites there was STW membership on WIA boards or Youth Councils, but this membership was not leading to plans to link the programs in any formal way. Generally in these sites STW and WIA were seen as two distinct programs that have little direct impact on each other.

Budgeting

In nearly all sites, funding streams for STW and WIA remained separate. Even in those sites in which STW and WIA were linking services, the funding streams for each program were discrete and not linked to the other's funding. This should not be surprising, given that even required partners under WIA regulations maintain separate funding streams. But when asked about the separate streams for STW and WIA, many

officials pointed to the language in the WIA legislation that prohibited using WIA funds for STW. The fact that many respondents pointed to this language in the regulations as an excuse suggests at the very least that officials were thinking about how they might link the services of WIA to those of STW, but that they felt constrained in doing so.

There was one site at which WIA funds have been interlinked explicitly with STW funds. In this site, the local WIA board incorporated the STW partnership; as a result the single board now has control over both sets of funds. Of course, as described above, section 129 of the WIA regulations stipulates that WIA funds cannot be used to pay for STW activities. But because the board in this site has control over both sets of funds, they can provide services to youth in a more coordinated manner, if they choose to do so. It is unclear whether they will explore this possibility because at least part of the reason for the incorporation was due to the fact that the STW partnership was having trouble expending its funds. Thus, the incorporation was in part to ensure that funds that had not been expended would not be forfeited.

Overall, then, it is unclear whether merging funding streams offers any advantage to either WIA or STW. In only one case did we observe this, and it is too early to determine how it will change program designs. Also, separate funding streams do not indicate that WIA and STW are not seen as viable partners. Indeed, in large part because block grant funding was explicitly rejected as part of WIA legislation, states and local areas have maintained separate funding streams for virtually all WIA partners. Thus, the lack of funds merged with WIA funds makes STW similar in this regard.

Summary Observations

It is clear that in several case-study sites, STW and WIA are seen as viable partners. Both STW and WIA officials in these areas expressed optimism that there would be collaboration and coordination across programs and that youth could best be served using both programs to provide services. Areas in which this optimism for collaboration was high were marked generally by having strong STW systems in place well in advance of WIA. Perhaps because WIA officials could see or were aware of the strength of the STW program in their area, they could readily understand the potential value of the program to their own efforts. Thus, one hallmark of sites in which STW and WIA are likely to collaborate is that the STW program(s) in the area are well established, effective, and well-known. Moreover, such programs have already established resources and linkages to the business community. Further, in many of the sites in which collaboration was happening or was expected to happen,

STW was viewed very favorably by both the business and education communities largely because they believed it had a demonstrable and successful track record of educating youth to be productive workers. Finally, in those sites in which STW is well known in the community there is a greater likelihood of partnering with WIA. In such cases, the recognizability of STW as a program or resource, or even the recognizability of STW officials as a knowledgeable source for youth programming, contributes to a greater likelihood of collaboration between the programs and a recognition by WIA officials of the need to include representatives of STW on their boards or Councils.

Several other factors are shared among those sites in which STW and WIA were actively involved as partners or expressed great optimism for collaboration in the near future.[3] For example, many of the sites in which there was collaboration were rural (or at least not highly urban). Common across these sites is that there are relatively few employers available either with whom to partner or to offer jobs to residents. This scarcity of employers is important for at least two reasons. First, with fewer available employers, training youth becomes an even greater priority because, if the youth are to have successful careers, they must develop the skills that are in demand by the employers. Second, with few employers available as a resource or partner for training programs, it becomes far more crucial that those training programs that do exist coordinate such that all participants have access to the employers without overwhelming the employers' capacity.

Additionally, the relatively small population base found in rural areas makes it more likely that any individual or any program will be more recognizable in the community. This implies that a STW program or official may be more widely known or identifiable in rural areas than a comparable program (official) would be in a larger area, even perhaps if the two are otherwise similar. If this increased awareness is combined with a strong or effective STW program, there is a greater chance that STW will have an influence on WIA planning or service delivery. Of course, a highly visible but largely unsuccessful program may well reduce the likelihood that WIA officials will seek to partner with STW.

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[3] As noted above, these observations are based upon a very small number of case study sites. Thus their generalizability is unclear. We will attempt to test many of these conclusions in later rounds of data collection.

Directly related to this argument, a second commonality among those sites with active WIA-STW cooperation or collaboration is that, prior to STW, youth in each of the sites were performing far below average in educational achievement. In many cases, the site was at or near the bottom in educational outcomes within their state, or among states in the country. In most cases, the sites were implementing a host of educational reforms prior to implementing STW. Perhaps the strength of the STW programs in these communities, then, is in part a result of the fact that many of the sites already were undergoing educational reform and thus had experience with it. This experience may well have been drawn upon in crafting a successful STW program, much as previous chapters of this report have highlighted the fact that states' and local areas' prior experiences with reforming their workforce development systems contributed to their ability to implement WIA quickly and effectively.

Regardless, it is clear from these sites that STW eventually played a prominent role in overall educational reform efforts. Thus, STW may have been seen as one answer to the educational problems in the area. Also, given the poor performance prior to STW or other educational reform implementation, it is likely that implementation became associated with higher performance. Thus, workforce development officials in these sites tended to view STW as a strong program that had made a tangible difference in preparing youth not only for careers but also for greater success in the classroom. The combination, then, of STW's high visibility in a smaller or less populated area as well as being associated with greater achievement and work-readiness among youth in the community likely was a strong contributing factor in WIA officials' desire to capitalize on STW resources and knowledge.

Not all sites that demonstrated some link between STW and WIA were rural areas, of course. STW officials in some urban areas were active in the Youth Council or served on the local board. But generally, overlap between the programs in these sites ended there. There was less effort to link services between STW and WIA in more urban sites. And in several sites, officials seemed to have given little thought prior to the researcher's suggestion as to how or why one would wish to link the two programs at all. In contrast to officials in rural sites, for whom the utility of such links was clear, officials in more urban sites generally viewed the two programs as fundamentally separate and discrete. The notion of linking them in any way other than involving STW officials in some planning efforts had not yet been explored.

The idea of service coordination across programs generally had not yet taken root at the time of our visits. It should be kept in mind, of course, that many of our sites had not yet begun providing services under WIA at the time of our visit, or had only recently begun providing them. Thus, it should not come as a great surprise or as a profound disappointment that service coordination lagged behind planning efforts in terms of linking STW with WIA. Nonetheless, we did explore the degree to which such service coordination was either being enacted or at the very least being discussed in each of the sites. Generally, there was little effort to link services between WIA and STW. However, there were some obvious exceptions to this.

For example, one of the clearest examples of service coordination between STW and WIA occurred in those two sites in which the STW partnership had been awarded the contract to provide youth services under WIA. Thus, in the Cumberlands area of Kentucky, and Polk County, Florida, the same agency responsible for STW also was given responsibility for providing youth services under WIA. Service coordination in these sites was likely to be made easier by this fact (in each case it was unclear how much coordination there would be, given that WIA youth services had not yet begun to be provided). Of course, this does not ensure that youth are linked in any meaningful way with adult services that might be or become available to them. But it does suggest that in these two sites there will be significant overlap and coordination between the services available to youth from either STW or WIA youth funds.

Still another rural site, the Northern Tier area of Pennsylvania, had developed plans to enable students in schools to access electronically the information at the One-Stop centers in the state. Thus, youth participating in STW at one of the local schools could identify what other services they might receive from WIA-sponsored programs, among others. Further, representatives at the One-Stop centers planned to refer youth back to their school STW program. In this way there is some mechanism for coordinating services between WIA and STW, although admittedly both of these were in the early planning stages when we visited.

The single best example of service coordination between STW and WIA occurred in Rutland, Vermont, with the Drop-Out Recovery program. This program is managed by a team of individuals representing both the STW agency as well as One-Stop centers in the area, and works to identify students who are at risk of dropping out or who have already dropped out of traditional schools. Participants receive case management crossing programmatic boundaries, which enables them to have access to services under

STW or WIA, including those services that are available through the One-Stop center. As individuals' needs change, they can be referred to other programs or services that better match their interests. Despite significant rates of success, according to officials, this program is threatened by the end of STW funds. Because the primary agency in this effort is the STW partnership, when their funds end it is quite possible the program will end with them.

The remaining sites generally have less extensive coordinating efforts. In many cases, officials cited the language in the WIA regulations preventing WIA funds from being used to further STW efforts. This language clearly scared many officials away from even considering a link between the two programs. Whether or not this was the legislation's intent is unclear, but the effect is not. In several sites, our questions about linking STW with WIA were met by the simple response that the two could not be linked in any way according to WIA regulations.

Sustainability

STW officials in several sites had thought about and planned effectively for sustainability of their efforts. As described above, the majority of our sites had received STW implementation funds in 1994 or 1995, and thus were nearing or already past their sunset period. Sustainability for these sites was an important issue and one they had spent a significant amount of time investigating and planning for.

In a few sites, the STW partnerships sought additional outside funding for their STW efforts, and were successful in securing such funds. Resources such as Rural/Urban grants, Youth Opportunity grants, and grants from private foundations were being utilized to ensure that STW efforts did not end with the initial money that had sustained them until recently. Additionally, in two sites, the Department of Education adopted the STW program into its own budget, thereby ensuring continued sustainability for STW principles and many of the officials as well. In still other sites, at least some of the principles of STW had been adopted by the Department of Education, ensuring that some of the central tenets of the program remained.

One other intriguing method to create sustainability is to have participating schools contribute to STW by paying a specified amount per student or per activity. At least three sites in our sample had established such a system. Doing this ensures that even after STW funds disappear there will be a revenue stream for STW, and those schools interested in participating will still be able to do so. As such, fees for

participating schools represents an innovative approach to guaranteeing sustainability. One question this approach does raise, however, is the extent to which such a funding strategy impacts other officials' views of STW. It is possible that, as a result of the direct financial support from participating schools, those outside STW see it more as a separate and distinct program than a useful partnering agency or community resource. Though none of the officials with whom we spoke indicated this, in at least one of the areas that had developed a school "buy-in" strategy there has been little effort to coordinate STW and WIA. It is possible that in developing a strategy for the sustainability of STW as a discrete program, officials in these areas have made it more difficult for STW to coordinate with other potential workforce development partners.

Conclusion

Across the six states and nine local areas we visited, there is a broad range in program activity under STW. Similarly, broad variation exists in the degree to which STW officials are involved in WIA planning efforts. To a somewhat lesser degree there is variation in the amount of service coordination that exists between the two programs.

In general, each site has at least some overlap in membership between STW and WIA. In almost every case at least one STW official or partnership member serves on the local board, the Youth Council, or both. Although the influence they wield varies, it is generally true that STW officials were included on these boards because they were thought to bring either a unique perspective or useful experience in providing youth services, building linkages with outside agencies or businesses, or serving as a useful partner to WIA efforts. Thus STW officials have been involved across nearly all of these sites in planning and establishing a vision for how the WIA system should develop.

In contrast, we found significantly less service coordination between STW and WIA. In part this may have been due to the fact that services were not being offered or were in their infancy stage at several of the sites at the time we visited. But even among those sites in which services were being offered, few examples of service coordination existed between STW and WIA. Often, officials indicated that they could not link any services between the programs because WIA regulations prohibited it. Whether this is true or not, officials did rely upon that assertion as evidence for why they were not linking services any more than they were.

In contrast to this general rule, we did identify a few examples of strong service coordination between STW and WIA. Sites in which this was the case were typically rural areas that had a history of poor educational performance, as well as a recent history of educational reform.

At least in some sites, STW systems were very helpful as local boards or Youth Councils struggled to implement youth services. The resources intrinsic to these STW systems— including the strong involvement of schools, linkages with employers, experience in providing year-round youth services and arranging internships, among others—were useful to WIA youth programming perhaps because so much of the focus of JTPA programs had been on Summer Youth programs. Thus, workforce development officials had little experience in developing strong linkages with schools and employers to deliver year-round services. The utility of involving STW officials and partnerships into critical WIA planning and, in some cases, service delivery, was very clear to WIA officials in these sites. Thus, STW had a strong positive influence on WIA by bringing expertise developed over several years to the planning and service delivery process.

Overall, then, the results from these sites seem mixed. There is clearly significant overlap between STW and WIA in terms of membership and input into local WIA decision-making and service planning. But except for some rural areas there is not much evidence that services are being or will be coordinated between the two programs. However, as we gain more exposure to the various sites in which STW and WIA are underway, new sites may well demonstrate a different pattern in which services as well as planning are coordinated and linked between the two programs.

VIII. CONCLUSIONS

Previous chapters of this report have provided information about the WIA implementation experience from two perspectives. We began this report by reviewing the progress all states have made over time in achieving a series of implementation milestones reported in the Workforce System Information and Evaluation (WSIE) tracking system. Subsequent chapters have reviewed the detailed experiences of six states and nine local areas in transforming their workforce development systems to meet the requirements of the Workforce Investment Act.

The objective of this chapter is to draw on the longitudinal view provided by the tracking system and the snapshots of individual states' and local areas' implementation experiences provided by the case studies to: (1) review the key accomplishments of the early implementation states in moving toward full compliance with WIA; (2) identify the most difficult implementation challenges faced by all states and local areas and the areas in which further progress is most needed; and (3) suggest what we can learn from the early implementation experiences about how to support implementation efforts nationally during calendar year 2001.

One of the difficulties in tracking the rapid progress that states and local areas have made toward WIA implementation is that information about the current status of any particular site becomes outdated soon after it is collected and usually long before it is disseminated. For this reason, we do not claim that this report accurately describes the current status of any particular site. Rather, we offer the experiences and findings documented in this evaluation as illustrative examples of the types of implementation challenges that early implementation sites have faced and that other sites are likely to encounter.

RESULTS FROM SYSTEMWIDE TRACKING

The results from the WSIE tracking system reveal that states have made steady progress between March 2000, when the first systemwide readiness summary was prepared, and October 2000, when the final systemwide snapshot was completed, in putting in place the governance structures and service delivery arrangements required under WIA.

State Implementation Challenges

One important task for states as they have moved toward WIA implementation has been establishing a state workforce investment board. The tracking system reveals that one-half of the 54 states and territories have chosen to grandfather an existing State Board, while a new board has been established in the remaining cases. In addition, just over one-half of the states have established a state-level Youth Council, even though they are not required to do so by the WIA legislation.

Another implementation challenge for states has been the requirement to involve a wide range of program partners in the development of WIA plans. The tracking system documents that nearly all states have met this requirement, by including representatives from the Employment Service, Veterans programs, Vocational Rehabilitation, Unemployment Insurance, Adult Education and Literacy, Welfare-to-Work, Carl Perkins, Trade Adjustment Assistance, and others in developing their WIA plans. Slightly fewer than half the states and territories have taken advantage of the opportunity to submit a unified plan for PY 2000 on behalf of multiple programs beyond WIA Title I and Wagner-Peyser. Where unified plans have been submitted, additional programs participating in the unified planning process most often have included Veterans programs, Trade Act programs, Vocational Rehabilitation, and Unemployment Insurance programs.

The development of the consumer report system is a cornerstone of efforts to promote informed customer choice for training services. Based on the WSIE, it appears that nearly all states have an approved list of eligible training providers. However, as of October 2000, these lists are thus far often lacking key components of a well-developed consumer report system. For example, only about 33 of the states and territories have an electronic consumer report system that contains information on providers' performance, though slightly more provide information on providers' costs, programs of study, and locations. According to the information obtained during the site visits, states whose consumer report systems are not yet fully developed are working hard to have their systems in place in time to review the performance of training providers applying for recertification as eligible training providers for the second year of WIA operations.

For smooth functioning under WIA, states also need to establish performance accountability systems that, in keeping with WIA, draw on Unemployment Insurance (UI) wage records for purposes of calculating performance. However, as of October

2000, 15 of the states and territories had not yet resolved all the problems they expect to encounter in accessing UI data for purposes of carrying out these calculations.

To prepare for WIA implementation, states have had to establish local workforce investment areas. Just under one half of the states and territories have reconfigured the boundaries of at least some of their local areas compared to the service area boundaries used under the prior JTPA system. Overall, the reconfiguration has led to a modest reduction in the total number of local areas in the nation, from approximately 620 service delivery areas under JTPA to 598 local workforce investment areas under WIA, for the 54 states and territories covered by the WSIE.

Local Implementation Challenges

Just as their state counterparts, local areas have worked to put in place governance and administrative structures relating to WIA, including local workforce investment boards. Nationwide approximately two-thirds of the Local Boards have been newly established, while the remaining one-third were existing local policy boards that have been grandfathered from the previous JTPA system. Thus, policy boards are more likely to have been newly established under WIA at the local, as opposed to the state, level.

Also at the local level, the WIA legislation calls for a separation between policy oversight and program operations. The tracking system indicates that these two functions have been separated in most local areas. Thus, only 3% of the Local Boards nationwide have been granted a waiver to provide training services, only 14% have been approved to provide core and intensive services, and just 18% have been approved to serve as a One-Stop operator.

Summary of Overall Readiness

The tracking system documents the fact that states have not yet fully resolved all of the challenges associated with implementation of WIA but are well on their way to doing so. The readiness index calculated from successive waves of the WSIE showed that, as of March 2, 2000 (when WSIE data first became available), a few states had readiness scores near zero, and an appreciable number had scores of 50% or less. Readiness has risen steadily over the months, however, so that, by the end of October 2000, 45 states and territories had a composite index of 75% or higher and only a handful of states had a composite index of less than 60%. Clearly, substantial progress

has been made over a relatively short period of time, an achievement for which states and local areas deserve much credit.

KEY ACCOMPLISHMENTS OF THE EARLY IMPLEMENTATION SITES

Key accomplishments of the states and local areas we visited include (1) successful establishment of the governance structures and decision-making procedures required by WIA; (2) development of local memorandums of agreements (MOUs) between Local Boards, One-Stop system partners, and local One-Stop operators clarifying their roles in the local One-Stop system; and (3) establishment of a wide array of comprehensive One-Stop career centers offering core services to a universal audience as well as a wide range of additional services to those in need of/eligible for intensive services.

Creation of Governance Structures

States and local areas alike have succeeded in establishing the overall governance structures and decision-making procedures required by the Workforce Investment Act. As described in Chapter IV, they have created their governance structures for WIA in different ways, ranging from grandfathering in existing state and/or Local Boards to creating new boards. Existing boards were more likely to be grandfathered in at the state level, perhaps as the result of previous Job Training Partnership Act (JTPA) legislation, which had encouraged the prior creation of broad state human resource investment councils. At the local level, elected officials were somewhat more likely to create new governance boards to emphasize the broader scope and stronger role of the private sector in the governance of the Workforce Investment Act.

To support state and local workforce investment boards, the case-study sites have each designated staff to manage the day-to-day operations of the policy boards and coordinate the planning and oversight functions carried out by the boards with the administrative and service delivery functions carried out by public agencies and their assigned or contracted service providers. In some cases, State Boards are staffed by the state agency designated as the lead agency for the Workforce Investment Act. In other cases, State Boards have their own distinct staff, or are staffed by another agency or quasi-governmental organization.

At the local level, the WIA legislation requires the separation of the policy, oversight, monitoring, and fiscal management functions from direct service delivery functions. The local areas we visited have all taken steps to ensure that staffing

arrangements for their Local Boards address the potential conflict of interest between program operations and policy guidance. Not all local areas have achieved a clear demarcation between these functions, but all have made progress towards that goal.

Development of Agreements Between Boards and One-Stop Partners

States have supported the process of local MOU development by providing sample MOUs for local areas to use as a model and by creating state-level MOUs among state agency partners. In addition, two of the six case-study states utilized the Unified Plan submission and review process to coordinate the development of plans among the partners responsible for workforce development programs other than those funded by WIA Title I and Wagner Peyser. Three additional case study states were taking bold steps to consolidate the state-level planning and administration of a wide variety of programs without formally submitting Unified Plans under WIA.

At the time of the site visits, all of the local areas participating in the case studies had made progress towards completing the required memorandums of understanding (MOUs) between and among local workforce investment boards, the partners responsible for the required 18 federal programs, the designated One-Stop operator(s) and additional optional state and local One-Stop system partners. Generally, local areas have chosen to utilize "blanket MOUs" between the Local Board, the One-Stop operator, and the One-Stop partners. These broad MOUs articulate the goals and strategy of the area, gain the commitment of the partner programs to participate in the One-Stop system, and allow for each partner to have representation on the Local Board.

Fewer of the local areas studied had taken the second step of negotiating the specifics of staff co-location and resource sharing among partners. Only one local area and the two single state areas had completed detailed cost sharing agreements. Different sites had devised different methods to allocate costs across One-Stop partner programs. Some agreements allocated costs based on the space occupied by staff from a given program, the number of customers served, and/or the amount of time staff spend serving customers eligible for a specific program. However, in the majority of the areas, the details of cost sharing had not been finalized at the time of the site visits. Many partners preferred to offer in-kind contributions through staff time or equipment whose approximate dollar value could then be applied to the partner's overall commitment. In no instance did we observe a site that had developed integrated budgeting for the full set of services provided to customers of One-Stop centers or systems.

Establishment of One-Stop Centers and Systems

In each of the nine local sites visited, comprehensive One-Stop centers were already in operation at the time of the site visit. These centers are delivering core services to a universal customer population as well as offering additional services to customers who were in need of and/or eligible for more intensive services under one of the participating partners' programs. Most of the sites visited have already established more than one comprehensive One-Stop center in each local workforce investment area. The development of multiple comprehensive centers is especially emphasized in rural areas that cover a large geographic area and in large urban areas serving diverse populations representing a number of distinct ethnic, socio-economic, and language groups.

In each local site, the Local Board has designated a One-Stop operator to manage and oversee the delivery of services at each One-Stop career center. Designated One-Stop operators range from competitively selected for-profit or non-profit entities to groups of local agencies and service delivery partners who requested designation as a One-Stop operator consortium. In most cases, a coordinated management team or One-Stop operator has assumed day-to-day management of each One-Stop facility as well as functional supervision of the staff working within the center. This is a dramatic accomplishment, given that many staff within One-Stop centers are still nominally employed by a variety of agencies and still report formally to an on-site or off-site supervisor from their own agency on personnel-related issues.

In their local plans for the delivery of One-Stop services, the local areas we visited have developed menus of core and intensive services and decided how responsibility for providing each of the designated services will be shared across the One-Stop operator and agencies participating in the One-Stop MOU. As described in Chapter V, the core services offered in most local One-Stop centers include a mix of staffed greeting, orientation, and information services; automated self-access services with staff support as needed; staffed assistance with labor exchange functions—particularly those funded with Wagner Peyser funds; group workshops or limited individual counseling on specific job search or employment preparation topics; and assistance connecting individuals with other community resources and determining eligibility for intensive services and other funding streams.

Many of the local sites had not fully developed their offerings in the intensive service tier at the time of the site visits. Under WIA, local sites have been challenged

to design intensive services as a free-standing category of customer services that may or may not culminate in training. Recognizing that customers may require intensive services at a variety of different points in their individual career planning, vocational preparation, and job search cycles, a number of sites are developing a relatively broad menu of intensive services and a fairly flexible notion of how these services should be sequenced.

At the time of the site visits, the new training delivery system for WIA was not fully operational in a number of sites, so it was difficult for us to learn about the details of the implementation experience. For example, states and local sites were often still in the process of developing lists of eligible training providers. However, all local sites had developed specific procedures for administering individual training accounts. Several different arrangements have been made for providers to redeem an individual's training voucher. Under the system that is most similar to the individual referral agreements previously used in many local areas under the JTPA program, providers receiving the vouchers are authorized to bill the One-Stop operator or local workforce investment board for the cost of the tuition, books, and training materials/supplies needed for customer participation in the program. Several of the case-study sites were excited about plans to simplify the need for submitting bills for payment of vouchers by developing a system that uses "smart cards." When used as a training voucher, a smart card authorizes a given level of customer expenditures and automatically debits the individual customer's training account when the customer uses the card to make a particular training purchase.

Summary of Accomplishments

Overall, the states and local areas that we visited were moving rapidly toward full implementation of workforce development systems that conformed to WIA requirements. Particularly in sites that had already made substantial progress in implementing One-Stop career center systems prior to passage of the Workforce Investment Act, the development of integrated customer services under WIA does not appear to have required abrupt changes in design and delivery of customer services. However, for other sites, WIA has required more substantial changes in how the public workforce development system views itself and how it advertises its services to customers. Rather than continuing to advertise themselves as "the place to go to get job training," One-Stop centers in these local areas are in the process of redefining

themselves as the place to go to get information and help broker a wide range of career and skills development services.

Among the most promising features we have observed in the emerging state and local workforce development systems under WIA are: (1) the design of systems that reflect the priorities of elected officials, legislatures, and policy boards within the specific geographic entity and take on a "local flavor" while still meeting the requirements of the federal WIA legislation; and (2) the development of One-Stop systems that identify and build on the particular strengths of each partner program and agency and use the resources of all partners to enrich the core and intensive services available to One-Stop customers. Each of these instances exemplify the state and local "ownership" and innovation that is one of the important goals of the Workforce Investment Act.

Differing state and local priorities are apparent in the variations in WIA implementation from state to state and from one local One-Stop system to another. Some states and Local Boards have emphasized linkages between their workforce development systems and high priority economic development, welfare, or educational reforms. The emerging workforce development designs in these sites conform to the required WIA structure and procedures but are also designed to further the goals and priorities of related programs and to strengthen structural linkages with these programs. One case-study state has consolidated the administration of public subsidies for welfare and childcare services within local One-Stop centers. A local area in another state plans to use its ITA training subsidies to support the creation of new jobs in high-tech industries as part of a regional economic development strategy. A third state has included planning for both secondary and post-secondary education agencies within the purview of its state workforce investment board. Each of these case examples is evidence that state and local flexibility and discretion is compatible with the operation of workforce development programs under WIA rules.

Another sign of flexibility and innovation at the state and local levels under WIA is the wide variation in the service delivery roles played by different One-Stop partners within local One-Stop systems. There appear to be as many different ways of combining the resources of one-Stop partners as there are local One-Stop systems. Most of the case-study sites are drawing heavily on the resources of the Wagner-Peyser system to fund and provide core services. However, it would be a great oversimplification to say that core services under WIA are just "warmed over" ES

services. In most sites, both core and intensive services have been redesigned to draw on the expertise and service offerings of multiple partners, including partners representing vocational rehabilitation, welfare-to-work, adult education, WIA Title I and others. In one of the case-study states, multi-disciplinary teams drawn from different partner programs are assigned to review customer progress. In other sites, cross-training of staff from multiple One-Stop partner agencies is enriching the skills of all staff and improving their ability to make appropriate service referrals.

Key Challenges as WIA Implementation Continues

The review of state and local experiences in the early implementation states also revealed that the development of a fully articulated workforce development system under the Workforce Investment Act takes time. Many of the case-study sites had the advantage of being able to build on gradual progress made over an extended period—in some cases as long as a decade—in consolidating workforce development agencies, developing broad policy boards, and building integrated service delivery systems. Even with this headstart, the early implementation sites we visited found that they could not meet the July 1, 1999 target date they had originally set for early implementation of their transformed workforce development systems. At the time of our case-study site visits, more than six months after the July 1 target date, most of the case-study sites were still putting in place major portions of their WIA systems and refining other aspects of their service designs and delivery arrangements.

In this section, we review key implementation challenges that still needed attention in most of the states and local areas at the time of the case-study site visits. These include the need to: (1) refine and enrich the services available within the core and intensive service tiers, to ensure that the system draws on the services available from all One-Stop partners and meets the wide-ranging needs of the varied customers of the One-Stop system; (2) work out the details of relationships among One-Stop service delivery partners, including cross-training, cost-sharing, and coordinated service delivery for core and intensive services; (3) develop new patterns for providing federal and state guidance to lower levels, while supporting local flexibility, discretion, and continuous improvement efforts; (4) revitalize employer services and attract increased employer participation in core and intensive services to benefit themselves and their incumbent workers; (5) develop and implement a model for comprehensive youth services; and (6) continue designing and implementing shared automated information

systems and information exchange procedures that meet the needs of multiple workforce development partners.

Challenge #1: Expanding and Enriching the Menu of Available Core and Intensive Services

The case-study sites appeared to rely heavily on the use of self-service tools for the delivery of core services. Sites appeared to be somewhat cautious about developing group workshops and individual counseling sessions to provide staff support to help customers set career and employment goals and develop individualized training and service plans. Only three of the nine local One-Stop systems we visited were already offering or planning to develop group workshops as part of their core service offerings. The remaining sites limited access to group workshops to individuals who were determined to be eligible for intensive services under WIA Title I or who qualified for services from another targeted funding stream. Individual career counseling was planned as a stand-alone core service in only four of the nine local One-Stop systems we visited.

It would appear that many sites need to think more about how to provide "light touch" staff support to users of core services, beyond helping customers use self-access tools in the resource room.[1] A few of the case-study sites offer examples of providing staffed core services. One of these sites describes its core counseling service as "career counseling with a light touch." This staffed service is intended for customers with work experience who want some assistance with goals clarification, accessing resources, and planning their job search. Another local area offers all interested customers access to a core assessment by a "triage counselor," who will help the customer connect to a variety of on-site and off-site occupational and support services, as well as determining whether the customer is eligible and appropriate for intensive services through WIA registration. Group workshops offer another model for expanding core services to provide personalized, but cost-effective staffed services to a universal customer base. One of the local sites we visited had developed quite an elaborate list of core workshops, including workshops on the topics of job search, use of technology, quality

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[1] If concern about being accountable for the outcomes achieved by these individuals is discouraging local One-Stop systems from offering staffed core services, then perhaps DOL needs to rethink the requirement that these customers be included in measures of systemwide performance.

child care, self-esteem/assertiveness, life management, parenting, and dealing with stress.

Another service design challenge posed by WIA is how to design and deliver intensive services that are broad enough to meet the needs of varied clients. WIA explicitly calls on local areas to respond to the needs of both unemployed workers and low-wage workers earning less than a specified self-sufficiency standard. Unemployed workers—particularly if they are long-term unemployed—may need prevocational skills, literacy training, remediation of basic education skills, and/or work experience before they are ready to enter the labor market. Low-income workers are more likely to need training information and career counseling to support advancement within their present occupation or assistance selecting and preparing for a new occupation/industry that offers improved opportunities for earning a living wage. The wide range of circumstances and potential needs of One-Stop system customers creates a need for the staff providing intensive services to have extensive knowledge of labor markets, occupations, and vocational counseling skills, as well as the ability to access a rich array of community services for customers through referral linkages. The local One-Stop systems we visited had not yet clearly identified how multiple funding streams could be coordinated to support the delivery of a broad menu of intensive services to One-Stop customers.

Challenge #2: Clarifying Relationships Among One-Stop Service Delivery Partners

The sites we visited were often still working out the details of how local One-Stop partner agencies and One-Stop operators would work together to provide core and intensive services to One-Stop customers. In some sites, service planning teams with representation from multiple partner agencies had worked together to develop an integrated menu of core and intensive services, and had decided how each agency would contribute to the cost and the staffing of customer services. More often, there was an integrated plan for the delivery of core services, but delivery of intensive services remained the separate responsibility of each of the participating partners, each of whom maintained its own distinct menu of intensive and training services.

Among the details that needed more attention in the process of building a seamless service delivery system in most sites were questions about (i) how to design a unified process to ensure that all One-Stop customers will be able to access all core and intensive services for which they are eligible; (ii) how staff from different programs

and agencies will be cross-trained to understand the variety of services available within the Center and how to help customers access all available services; and (iii) how the costs of providing services to One-Stop customers will be divided among the participating partners. One of the few local sites that had developed a detailed cost allocation plan at the time of the site visit had to use a total of seven different cost allocation pools to share costs across partners equitably and within the limits posed by administrative regulations governing each partner. However, persistence paid off in this case, and all partners indicated that they could live with the agreement about how to share in financing the One-Stop facility and core services.

Further questions about the relationships among One-Stop system partners arise regarding the administration and delivery of intensive services. Questions include (iv) how will information be collected and shared about individuals who are served by more than one funding stream; and (v) how will enrollment/registration, case management, and reporting responsibilities be shared among programs and agencies that serve the same individual simultaneously or sequentially. State and local respondents were quick to point out that many of these implementation challenges were the result of lack of full integration of workforce development systems at the federal level, which has left state and local partners responsible for meeting a number of different--or even conflicting—regulations, reporting requirements, and performance expectations.

Challenge #3: Improving Federal(State) Guidance and State (Local) Response

The Workforce Investment Act calls for a transformed relationship between the federal government and the states in the development of goals and objectives, service delivery designs, and accountability procedures for workforce development programs. Many of the details of program design and operation that were spelled out in detail at the federal level in previous programs are left to the discretion of the states under WIA. One objective of this increased flexibility and discretion for states is to ensure that the programs developed by each state will be responsive to variations in local economic conditions, political priorities, and customer needs.

Similarly, it appears that a majority of State Boards (if the six early implementation states accurately represent the national experience) have decided to

defer a number of key program design and implementation features to Local Boards.[2] This may be due in part to the inability of the early implementation states to provide detailed policy guidance to local areas within the available implementation timeframe. However, it appears to have been supported by a similar desire on the part of the states to support local flexibility and discretion.

The states and local areas we visited were not yet entirely comfortable with their new roles and relationships. On the one hand, state respondents frequently said they would have liked more guidance from the level above them on how to interpret the legislation and how to shape their state One-Stop system. However, this was largely because they were afraid that the offered discretion was not real. These respondents feared that after they went about developing their state-driven system, the federal government would criticize their design and come up with reasons why it was not allowable. Delays in issuing final regulations for WIA made the early implementation states feel like they were playing the game without having been told all the rules—despite efforts by DOL to let states know that they were working to make the final regulations flexible enough to empower, rather than constrain, states and local areas. Local respondents also said they felt their states had not provided enough leadership on what local One-Stop systems should look like. Over time, both states and local areas are coming to realize that much of the flexibility and discretion offered by the Workforce Investment Act is real and are beginning to appreciate their ability to shape their system to meet state (local) needs.

There is still room, however, for improved relationships between the federal government and the states and between the states and their local areas regarding how to share leadership of state and local workforce development systems. One area that appears to need improvement, in particular, is the negotiation process for setting performance goals at both the state and local levels. As described in Chapter VII, both state and local area respondents expressed discomfort with "negotiations" that felt like they were really dictates from above rather than negotiations based on a mutual give and take.

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[2] The two states in the case-study sample that comprise a single local workforce investment area are in sharp contrast to the rest of the states on the issues of state control versus local discretion. These two states provided clear and detailed guidance to local areas about how to interpret WIA and how to structure local plans.

Challenge #4: Improving Employer Services and Increasing the Level of Employer Involvement

In the customer-driven system envisioned under the Workforce Investment Act, employer services provided by One-Stop system partners will meet the needs of employers around a broad range of business development and workforce development issues, including finding qualified workers for new job openings; improving the skills of job seekers and incumbent workers, and coordinating local workforce development, business development, and economic development strategies.

Most of the early implementation states and local areas realized that they still had a long way to go before their employer services achieved the high visibility and reputation for quality services with the business community that they wanted. Generally, developing core and intensive services for employers had received less attention at the time of the site visits than developing core and intensive services for job seekers. As described in Chapter V, areas identified for the improvement of employer services include (i) making a wider range of employers aware of the automated self-service tools that are available to help employers list jobs and review the qualifications of available job seekers; (ii) offering personalized core services to employers using a system of account representatives, and (iii) developing intensive or more specialized services to meet particular employer needs for worker recruitment and screening, business consultation services, or training of incumbent workers.

Challenge #5: Developing Comprehensive Youth Services

At the time of the site visits, most of the local areas we visited were also relatively early in the process of forming Youth Councils, developing strategies to support the development of comprehensive year-round youth services, and selecting service providers for the delivery of WIA-funded youth services.

Among the states and local areas that had made progress in developing their youth service systems under WIA, sites are trying to draw on a wide range of program resources and youth service partners. WIA Title I youth activities are being viewed as only one of many programs and funding streams that need to be coordinated to provide the services described in the Workforce Investment Act that are needed to help disadvantaged youth complete a high school education, master workplace competencies, and transition successfully to post-secondary education or the workforce.

Key partners and funding streams that are being brought into the process of planning youth services under WIA include local school districts and their resources,

School-to-Work implementation grant partners and funds, youth-serving organizations in the community, local Youth Opportunity partners and grants, Job Corps programs, welfare-to-work programs and resources, local Carl Perkins programs, and foundation funds. Within the framework of these pooled resources, WIA Title I funds are often being used to (i) develop a matrix of existing resources and services, (ii) identify key community needs and service gaps, and (iii) fill specific gaps in the local youth service system.

Challenge #6: Developing and Improving a Shared Workforce Development MIS

A final challenge faced by the early implementation states and local areas concerns the need for continued development of information sharing agreements and data systems to support the delivery of seamless services to One-Stop customers as well as the reporting and performance requirements of individual programs and the One-Stop system as a whole. A number of the case-study states have taken on the important responsibility of developing and maintaining the electronic databases and automated information systems that will support self-access customer services as well as system accountability and reporting. Although substantial progress has already been made in developing these state systems, the systems were not yet fully operational in a number of the case-study sites. Several local areas we visited were dubious about the ability of their states to provide them with the "just-in-time" information that they would need to manage local workforce development systems on a daily basis.

Challenges Expected for Other States/Local Areas Implementing WIA

Based on the experiences of the early implementation states and local areas documented in this report, and the results from the WSIE tracking system on implementation progress across all states, we expect that the states and local areas implementing WIA during PY 2000 will face significant challenges as well as make impressive progress. The examples offered by the early implementation sites should help inform the states and local areas currently building their WIA systems. Firstly, information about the early implementation sites can help other sites understand that implementing WIA is likely to be a time-consuming and labor intensive process. Secondly, states and local areas should be able to use information about the possible variations in governance and service delivery models as they decide how to design their own workforce development systems under WIA. Thirdly, examples of how other sites are designing, implementing, and overseeing customer-driven job-seeker services,

employer services, and comprehensive year-round youth services should be especially useful to sites as they refine these important system elements.

The process of developing broad governance structures, coordinated/consolidated workforce development agencies, and systems offering seamless customer services may take significantly longer than expected to mature, particularly in states and local areas without a long history of gradual progress in system integration to build on. It is possible to implement WIA on a "fast track"—as demonstrated by one of the early implementation states that had been relatively late beginning One-Stop planning and implementation—but only as a result of strong support by the governor and full mobilization of the leadership and staff of the participating agencies and interagency planning teams during the transition period. It will be important that states and local areas approach WIA implementation with realistic expectations about the significant length of time that will be needed to complete a system transformation and the high level of investments that may be needed—in developing a shared infrastructure, an integrated menu of services, and coordinated staffing—in order for the transformation to be successful.

Local areas and states that are looking for guidance about "the correct way" to implement WIA can learn from the experiences of the early implementation states and local areas that there is no single right way to go about WIA implementation. States observing the experiences of the early implementation states can observe a broad range of state leadership styles—ranging from some governors, state legislatures, and/or State Boards that have been highly involved in WIA planning and system development and others that have deferred most decisions to Local Boards. Local areas observing the experiences of the case-study sites can realize that WIA offers considerable flexibility to local areas in organizing the governance of WIA systems and the delivery of WIA services.

Perhaps the most effective way to support the development of local systems tailored to the needs of local areas is for DOL, states, and local areas to participate in sharing examples of different models for the governance, management, delivery, and oversight of the services available through One-Stop career systems. These models will illustrate how different sites have selected a wide variety of entities as One-Stop operators, arranged for One-Stop operators and agency partners to play a wide variety of roles in delivering core and intensive services, and begun identifying how different

programs can contribute to the costs of developing and operating One-Stop career centers.

Finally, states and local areas implementing WIA during PY 2000 are likely to face challenges similar to those faced by the early implementation sites in terms of the need to develop comprehensive youth services and a broad range of employer services that will be well received by the employer community. Creating peer networks and sharing information about emerging service models for youth and employers should help sites to meet these challenges.

Appendix A:

The Workforce System Information and Evaluation (WSIE) Data Collection Instrument

WORKFORCE SYSTEM INFORMATION AND EVALUATION
Data Collection Instrument
(PHASE 1)

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I. Plan Development Process and Submittal
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- **B. Adults and Dislocated Workers**
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VII. Designation of Eligible Service Providers
VIII. Performance Measures
IX. Administration & Finance
X. JTPA Transition and Closeout Issues
XI. Problem Areas/Technical Assistance/Capacity Building

Note: WIA Benchmarks noted in *italics*.

State _____

Date _____

State Contact _____
Phone # _____
E-mail address _____

Regional Representative _____
Phone # _____
E-mail address _____

I. Plan Development Process and Submittal

1. What agencies are involved in planning for WIA implementation?

a. Employment Service/Wagner Peyser Yes___ No____
b. Adult Education and Literacy/WIA Title II Yes___ No____
c. Vocational rehabilitation programs/
Title I of the Rehabilitation Act. Yes___ No____
d. Welfare-to-Work programs Yes___ No____
e. Senior community service programs
/Older Americans Act. Yes___ No____
f. Trade Adjustment Assistance programs/TAA Yes___ No____
g. Post-secondary vocational education/Perkins Act. Yes___ No____
h. Employment and training activities under
Community Services Block Grant Act. Yes___ No____
i. National Community Service Act programs Yes___ No____
j. Employment and training activities under HUD Yes___ No____
k. Unemployment compensation programs Yes___ No____
l. Veterans Programs Yes___ No____
m. Other_____ Yes___ No____

2. Has the State developed a time line to track progress/major milestones in implementing WIA?

Yes___ No____

If yes, obtain a copy of the time line.

If no, when does the State expect to develop a time line? Expected date_____

3. Will/Did the State submit a unified plan? Yes___ No____

If a yes (unified plan), what partner programs/agencies will be included in the plan?

a. Secondary Vocational Education Programs
(Perkins Title III/Secondary) Yes___ No____
b. Postsecondary Voc. Ed. Programs
(Perkins Title III/Postsecondary) Yes___ No____
c. Activities authorized under WIA Title I and the
Wagner-Peyser Act Yes___ No____

d. Activities authorized under WIA Title II
(Adult Ed. And Family Literacy) Yes___ No____

e. Food Stamp Employment and Training Program Yes___ No____

f. Work Programs authorized under the
Food Stamp Act of 1977 Yes___ No____

g. Activities authorized under Chapter 2 of Title II
of the Trade Act of 1974 (Trade Act Programs) Yes___ No____

h. Programs authorized under Part B of Title I
of the Rehabilitation Act of 1973 (Voc. Rehab.) Yes___ No____

i. Programs authorized under Chapters 41 & 42 of Title 38,
U.S.C. and 20 CFR 1001 and 1005
(Veterans Programs, including Veterans Employment,
Disabled Veterans' Outreach Program, and Local
Veterans' Empl. Rep. Program) Yes___ No____

j. Programs authorized under State Unemployment
Compensation Laws (Unemployment Insurance) Yes___ No____

k. Programs authorized under Part A of Title IV of the
Social Security Act (TANF and WtW) Yes___ No____

l. Programs authorized under Title V of the Older
Americans Act of 1965 (Senior Community
Service Employment Programs) Yes___ No____

m. Training Activities carried out by the HUD
(CDBG and Public Housing Plans) Yes___ No____

n. Programs authorized under the Community Services
Block Grant Act (CSGB) Yes___ No____

4. Has there been a public review and comment process to date?
Yes___ No____

If not, when will the plan be available for public comment?
Expected date_____

5. *Has the State issued any planning instructions to the local level?*
Yes __ No __

If not, when will instructions be issued? *Expected date*_____

6. What are the specific issues, obstacles, or concerns in the area of plan development process and submittal?

	TA Needed
_____	Yes __ No ___
_____	Yes __ No ___
_____	Yes __ No ___
_____	Yes __ No ___
_____	Yes __ No ___

7. Please list any useful products, policies, procedures and systems in the area of plan development process and submittal that might be of benefit to other States. (Please provide the name of the product, a contact name and phone number or e-mail address).

Product _____
Contact Name _____
ph#/e-mail _____

Product _____
Contact Name _____
ph#/e-mail _____

Product _____
Contact Name _____
ph#/e-mail _____

Product _____
Contact Name _____
ph#/e-mail _____

Product _____
Contact Name _____
ph#/e-mail _____

II. State-Level Governance

8. Has the existing State Board been grandfathered? *Yes___* *No___*

If yes, is the majority of the Board members representative of Business? *Yes___* *No___*

If yes, list any WIA category not represented

1. _____
2. _____
3. _____
4. _____
5. _____
6. _____
7. _____

If no, have the members of the new State Board been named?

Yes___ No___

*(If No) Expected date*_____

9. *Has the State Board* accomplished the following:

Developed bylaws and internal procedures? Yes____ No____

Set criteria for selection of members to Local Boards? Yes____ No____

Developed allocation formulas? *Yes___ No____*

2. Has the State Board established a State Youth Council similar to the local Youth Council?

Yes___ No____

If no, does the State Board plan to establish one? Yes___ No____

11. What are the specific issues, obstacles, or concerns in the area of State-level governance?

	TA Needed
_____	Yes __ No ___
_____	Yes __ No ___
_____	Yes __ No ___
_____	Yes __ No ___
_____	Yes __ No ___

12. Please list any useful products, policies, procedures and systems in the area of State-level governance that might be of benefit to other States.
(Please provide the name of the product, a contact name and phone number or e-mail address).

Product _____
Contact Name _____
ph#/e-mail _____

Product _____
Contact Name _____
ph#/e-mail _____

Product _____
Contact Name _____
ph#/e-mail _____

Product _____
Contact Name _____
ph#/e-mail _____

Product _____
Contact Name _____
ph#/e-mail _____

III. Local Workforce Investment Areas (LWIAs)

13. Have all LWIAs been designated? *Yes___ No____*

If no: a. How many have been designated? _____

b. What is the expected date that all will be designated? _____

14. How many SDAs were there under JTPA? Number _____

15. How many LWIAs are there (planned) under WIA? *Number* _____

16. Are any of the geographic areas different than SDAs under JTPA?
Yes___ No___

17. *How many Local Plans for LWIAs have been:*

a. Submitted to the State? *Number* _____

b. Approved by the State? *Number* _____

18. Has the State established guidelines for the local area appeal process?
Yes___ No___

19. What are the specific issues, obstacles, or concerns in the area of designation of Local Workforce Investment Areas?

	TA Needed
_____	Yes __ No ___
_____	Yes __ No ___
_____	Yes __ No ___
_____	Yes __ No ___
_____	Yes __ No ___

20. Please list any useful products, policies, procedures and systems in the area of designation of Local Workforce Investment Areas that might be of benefit to other States.
(Please provide the name of the product, a contact name and phone number or e-mail address).

Product _____
Contact Name _____
ph#/e-mail _____

Product _____
Contact Name _____
ph#/e-mail _____

Product _____
Contact Name _____
ph#/e-mail _____

Product _____
Contact Name _____
ph#/e-mail _____

Product _____
Contact Name _____
ph#/e-mail _____

IV. Local-Level Governance

21. Please indicate below the number of certified grandfathered and/or new Local Boards:
Number grandfathered_____ Number "new"_____

22. How many Local Boards have been granted waivers to provide training services?
Number _____

23. How many Local Boards have agreements that allow them to provide core and intensive services? Number _____

24. How many Local Boards have agreements that allow them to serve as the One-Stop operator? Number _____

25. How many Local Boards have established Youth Councils?
Number _____

26. What are the specific issues, obstacles, or concerns in the area of Local-level governance?

	TA Needed
_____	Yes __ No ___
_____	Yes __ No ___
_____	Yes __ No ___
_____	Yes __ No ___
_____	Yes __ No ___

27. Please list any useful products, policies, procedures and systems in the area of Local-level governance that might be of benefit to other States.
(Please provide the name of the product, a contact name and phone number or e-mail address).

Product _____
Contact Name _____
ph#/e-mail _____

Product _____
Contact Name _____
ph#/e-mail _____

Product _____
Contact Name _____
ph#/e-mail _____

Product _____
Contact Name _____
ph#/e-mail _____

Product _____
Contact Name _____
ph#/e-mail _____

V. One-Stop Delivery System / Building the Partnership

28. Has the State:

a. Developed umbrella agreements at the State level between State-level partners. Yes___ No___

b. Provided model agreements for LWIAs to build on. Yes___ No___

c. Required State agencies to cooperate in developing Local MOUs. Yes___ No___

d. Signed an MOU with Federal veterans programs? Yes___ No___

29. *How many of the Local Boards in the State have entered into memoranda of understanding with all required partners?* *Number* _____

30. *How many of the Local Boards in the State have designated or certified a One-Stop Operator?* *Number* _____

31. *How many of the Local Boards in the State have established at least one comprehensive One-Stop Center?* *Number* _____

32. How many comprehensive One-Stop Centers currently exist in the State? Number _____

33. How many comprehensive One-Stop Centers are planned in the State? Number _____

34. How many comprehensive One-Stop Centers in the State provide the 3 tiers of Wagner-Peyser services (self-service, facilitated self-help service, and staff-assisted service)? Number _____

35. What are the specific issues, obstacles, or concerns in the area of One-Stop System development?

	TA Needed
_____	Yes __ No ___
_____	Yes __ No ___
_____	Yes __ No ___
_____	Yes __ No ___
_____	Yes __ No ___

36. Please list any useful products, policies, procedures and systems in the area of One-Stop System development that might be of benefit to other States. (Please provide the name of the product, a contact name and phone number or e-mail address).

Product _____
Contact Name _____
ph#/e-mail _____

Product _____
Contact Name _____
ph#/e-mail _____

Product _____
Contact Name _____
ph#/e-mail _____

Product _____
Contact Name _____
ph#/e-mail _____

Product _____
Contact Name _____
ph#/e-mail _____

VI. Provision of Services

A. General

37. In how many Local Workforce Investment Areas can customers use the following core services in One-Stop centers?

a. Job listings for job seekers Number_____

b. Resume listings for employers Number_____

c. Information about local labor markets Number_____

d. Information about education and training providers Number_____

e. Career assessment and career planning tools Number_____

f. Internet access Number_____

38. Has the State developed policies regarding how participants are eligible to move through service tiers (from core to intensive to training)?

Yes ___ No____

39. Have the State and Local Boards developed a policy on giving priority to those who are public assistance recipients or low income?

Yes ___ No____

B. Adults and Dislocated Workers

40. Has the State identified its State Rapid Response Dislocated Worker Unit under WIA?

____ Yes, identical to under EDWAA
____ Yes, different configuration than under EDWAA
____ No

41. How will Rapid Response services be delivered?

Delegated to LWIAs Yes ___ No____

Provided by the State Yes ___ No____

Other entity_____ Yes ___ No____

42. Has the State developed a policy regarding "self-sufficiency"?

Yes ___ No____

43. If no, has the State delegated the development of a policy regarding "self-sufficiency" to Local Boards?

Yes ___ No____

44. Has the State developed a policy to determine at what point in time registration for services will begin?

Yes ___ No____

45. Has the State developed policies regarding limits on the duration of ITAs?

46. Has the State developed policies regarding limits on the costs of ITAs?

Yes ___ No____

C. Youth

47. Do the LWIAs provide for coordination of services for younger youth with the comprehensive and/or satellite One-Stop site(s)?

_____ Yes, in all LWIAs
_____ Yes, but varies by LWIA
_____ No, youth will be served at a separate site

48. Has the State established criteria for the selection of youth training providers?

Yes ___ No____

49. Has the State defined:

"Deficient in basic literacy skills" for youth eligibility Sec. 101(13)(C)(i) Yes ___ No____

Needs "additional assistance" to complete an educational program Sec. 101(13)(C)(vi)

Yes ___ No____

50. *If the State is not expected to submit a full or youth plan in time for approval to receive PY 2000 Youth funds on April 1, 2000, will any of the LWIAs that want to begin a summer component prior to July 1, 2000 be unable to do so?*

____*Yes, in all LWIAs*

____*Yes, but varies by LWIA*

D. Employers

51. *Does the State have a strategy for serving the employer customer?*

Yes __ *No* __

52. Does the State have methods in place to identify the skills needs of employers? Yes __ No __

53. If yes, has the State disseminated its proposed methods to LWIAs?

Yes___ No___

54. Does the State have a marketing strategy to advise employers of available services?

Yes __ No __

55. Is the State considering "Fee for Services" activities? Yes __ No __

E. Claimants

56. Has the State developed a process for informing UI claimants of services available under WIA?

Yes ___ No____

57. Has the State established a WPRS feedback mechanism through the new One-Stop system?

Yes ___ No____

58. What are the specific issues, obstacles, or concerns in the area of provision of services?

	TA Needed
_____	Yes __ No ___
_____	Yes __ No ___
_____	Yes __ No ___
_____	Yes __ No ___
_____	Yes __ No ___

59. Please list any useful products, policies, procedures and systems in the area of provision of services that might be of benefit to other States.
(Please provide the name of the product, a contact name and phone number or e-mail address).

Product _____
Contact Name _____
ph#/e-mail _____

Product _____
Contact Name _____
ph#/e-mail _____

Product _____
Contact Name _____
ph#/e-mail _____

Product _____
Contact Name _____
ph#/e-mail _____

Product _____
Contact Name _____
ph#/e-mail _____

VII. Designation of Eligible Service Providers

60. Has the State developed criteria for Local Boards to use in selecting providers of core and intensive services?

Yes___ No___ (If No) Expected date_____

61. Has the State established procedures for Local Boards to follow in determining initial eligibility of training providers?

Yes___ No___ (If No) Expected date_____

62. Has the State designated a State agency to carry out the duties associated with the identification of eligible training providers?

Yes___ No___ (If No) Expected date_____

63. Has the State established policies for maintaining the provider list?

Yes___ No___ (If No) Expected date_____

64. Has the State established guidelines for the eligible provider appeal process?

Yes___ No___ (If No) Expected date_____

65. Has the State developed an approved list of eligible training providers?

Yes___ No___ (If No) Expected date_____

66. Has the State developed a publicly accessible electronic system (consumer reports system) for customers with information about training providers?

Yes___ No___

67. If yes, does this consumer reports system include information on training providers':

a. Performance	Yes___	No___
b. Costs	Yes___	No___
c. Areas of training	Yes___	No___
d. Provider location/site	Yes___	No___

68. What are the specific issues, obstacles, or concerns in the area of designation of eligible service providers?

	TA Needed
_____	Yes __ No ___
_____	Yes __ No ___
_____	Yes __ No ___
_____	Yes __ No ___
_____	Yes __ No ___

69. Please list any useful products, policies, procedures and systems in the area of designation of eligible service providers that might be of benefit to other States. (Please provide the name of the product, a contact name and phone number or e-mail address).

Product _____
Contact Name _____
ph#/e-mail _____

Product _____
Contact Name _____
ph#/e-mail _____

Product _____
Contact Name _____
ph#/e-mail _____

Product _____
Contact Name _____
ph#/e-mail _____

Product _____
Contact Name _____
ph#/e-mail _____

VIII. Performance Measures

70. Has the State started to run data to get historical performance information?

Yes___ No___ (If No) Expected date_____

71. Is there an agreement in place to obtain UI wage records data for performance accountability purposes?

Yes___ No___

72. Does the State anticipate any problems related to access of UI Wage Record data?

Yes___ No___

If so, describe anticipated problem(s).

_____
_____
_____
_____
_____

73. What supplemental data, if any, does the State plan to use when calculating performance?

_____
_____
_____
_____
_____
_____

74. Has the State determined if it will adopt any additional Governor's measures?

Yes___ No___

If Yes, please describe.

_____
_____
_____
_____
_____

75. *When is the State ready to begin the performance negotiation phase with the Regional Office?*

*Date(s)*_____

75. *With how many Local Boards has the State negotiated acceptable levels of performance for the national and optional State measures?* *Number*_____

76. Has the State has developed regional performance measures?

Yes___ No___

77. What are the specific issues, obstacles, or concerns in the area of performance measures?

	TA Needed
_____	Yes __ No ___
_____	Yes __ No ___
_____	Yes __ No ___
_____	Yes __ No ___
_____	Yes __ No ___

78. Please list any useful products, policies, procedures and systems in the area of performance measures that might be of benefit to other States. (Please provide the name of the product, a contact name and phone number or e-mail address).

Product _____
Contact Name _____
ph#/e-mail _____

Product _____
Contact Name _____
ph#/e-mail _____

Product _____
Contact Name _____
ph#/e-mail _____

Product _____
Contact Name _____
ph#/e-mail _____

Product _____
Contact Name _____
ph#/e-mail _____

IX. Administration & Finance

79. Has the State developed budgets for:

a. Required Statewide (15%) activities? Yes ___ No ___

b. Discretionary Statewide (15%) activities? Yes ___ No____

80. Does the State intend to use the alternative WIA formula to allocate funds to LWIAs?

Yes ___ No____

81. Will the funding formulas create significant changes in local funding from pre-WIA levels? Yes ___ No____

82. Does the State intend to use its hold harmless authority during PY 2000?

Yes ___ No____

83. Has the State issued policies or instructions to LWIAs on cost allocation?

Yes ___ No____

84. Has the State issued WIA administrative and fiscal procedures which incorporate OMB Circular provisions?

Yes____ No____

If No, by when does the State expect to issue such provisions?

Date_____

85. Does the State have an integrated or Internet-based data system to track and report on participants, expenditures, progress, and program outcomes?

Yes ___No ___

86. If Yes, does this system include:

a. Adults served under WIA Title I with intensive or training services	Yes___	No___
b. Youth served under WIA title I youth programs	Yes___	No___
c. Registrants served by the Employment Service	Yes___	No___
d. Participants in Welfare-to-Work programs	Yes___	No___
e. Participants in VR-funded programs	Yes___	No___
f. Participants in TAA programs	Yes___	No___
g. Recipients of UI benefits	Yes___	No___
h. Profiled UI beneficiaries required to participate in reemployment services	Yes___	No___
i. Adult Education and Literacy programs	Yes___	No___
j. Senior Community service programs (Older American Act)	Yes___	No___
k. Post-secondary vocational education (Perkins Act)	Yes___	No___
l. Employment and training activities under Community Service Block Grant	Yes___	No___
m. National Community Services Act	Yes___	No___
n. Employment and training activities under HUD	Yes___	No___
o. Other _____	Yes___	No___

87. If the State does have an integrated system used by some programs, is the information that is collected in this system shared with the partners that do not use the system to track participants in their programs?

Yes___ No___

88. What are the specific issues, obstacles, or concerns in the area of administration and finance?

	TA Needed
_____	Yes __ No ___
_____	Yes __ No ___
_____	Yes __ No ___
_____	Yes __ No ___
_____	Yes __ No ___

89. Please list any useful products, policies, procedures and systems in the area of administration and finance that might be of benefit to other States. (Please provide the name of the product, a contact name and phone number or e-mail address).

Product _____
Contact Name _____
ph#/e-mail _____

Product _____
Contact Name _____
ph#/e-mail _____

Product _____
Contact Name _____
ph#/e-mail _____

Product _____
Contact Name _____
ph#/e-mail _____

Product _____
Contact Name _____
ph#/e-mail _____

X. JTPA Transition and Closeout Issues

90. Has the State issued JTPA transition or closeout policies regarding

a. Administrative and participant records?	Yes ___No ___
b. Continuity of services for JTPA participants?	Yes ___No ___
c. JTPA fund carryover?	Yes ___No ___
d. Financial reconciliation and reports?	Yes ___No ___
e. Property?	Yes ___No ___
f. Audit and audit resolutions?	Yes ___No ___
g. Complaints and grievances?	Yes ___No ___

91. Has the State used/planned to use up to 2% of JTPA funds for the transition to WIA?

Yes ___No ___

92. Has the State determined that waivers (general or workflex) will be necessary to implement its WIA plan?

Yes___ No___

XI. Problem Areas/Technical Assistance/Capacity Building

93. Please describe any major issues or problem areas that have impeded implementation.

_____
_____
_____
_____
_____
_____
_____
_____

94. Does the State have any other TAT needs that have not been discussed above?

Yes ___No ___

If Yes, please describe.

_____
_____
_____
_____
_____

95. Has the State conducted technical assistance for LWIAs with respect to:

a. The formation and responsibilities of local boards and Youth Councils? Yes___ No___
b. Procedures for the submission of local plans? Yes___ No___
c. Procedures regarding fiscal accountability? Yes___ No___
d. Intake, enrollment, and eligibility procedures and requirements? Yes___ No___
e. Procedures for delivering core, intensive, and training services? Yes___ No___
f. Procedures for certifying vendors as eligible to provide training services? Yes___ No___
g. Procedures for complying with the State's reporting requirements? Yes___ No___
h. Development of MOUs? Yes___ No___
i. Procedures regarding ITAs? Yes___ No___
j. Procedures and policies regarding cost allocation? Yes___ No___
k. Procedures for JTPA closeout and transition to WIA? Yes___ No___
l. Other_____? Yes___ No___

Appendix B:

Constructing a WSIE Composite Index of Readiness

WIA IMPLEMENTATION COMPOSITE INDEX OF READINESS

The composite readiness index shown in Chapter II (Figure II-4) is calculated from the WSIE separately for each state as the simple average of the separate indices presented below (covering each of the major sections of the WSIE). States that have taken each of the actions listed below are assumed to have taken necessary steps towards WIA implementation.

Planning Development Process and Submittal
Represents % of the following actions taken by a given state:
1) Process for Public Review and Comment has occurred; 2) The State has issued Planning Instructions to Local Boards.

State-Level Governance
Represents % of the following actions taken by a given state:
1) State Board in Place; 2) Allocation Formula Developed; 3) State Board Procedures Developed; 4) Criteria for Local Board Selection Set.

Local Workforce Investment Areas (LWIAs)
Represents % of the following actions taken by a given state:
1) All LWIAs designated; 2) All Local Plans Approved.

Local-Level Governance
Represents % of the following actions taken by a given state:
1) 100% of Local Boards established; 2) 100% of Local Boards with established Youth Councils.

One-Stop Delivery System/Building the Partnership
Represents % of the following actions taken by a given state:
1) 100% of Local Boards have entered into MOUs with required partners; 2) 100% of Local Boards have designated or certified a One-Stop Operator; 3) 100% of Local Boards have established at least one Comprehensive One-Stop Center; 4) 100% of existing One-Stops offer 3 Tiers of Wagner-Peyser Service (self, facilitated, staff assisted).

Provision of Services
Represents % of the following actions taken by a given state:
1) Customers can use job listings for job seekers; 2) Customers can use resume listings for employers; 3) Customers can use information about local labor markets; 4) Customers can use information about education and training providers; 5) Customers can use career assessment and planning tools; 6) Customers have Internet access; 7) State has developed policies regarding how participants are eligible to move through service tiers; 8) State and Local Boards have developed policy on giving priority to those who are public assistance recipients or low income.

Composite Index for Adult and Dislocated Worker Services
Represents % of the following actions taken by a given state:
1) State has identified its State Rapid Response Unit; 2) State has developed a policy to determine at what point in time registration for services will begin.

Composite Index for Youth Services
Represents % of the following actions taken by a given state:
1) State has established criteria for the selection of youth training providers; 2) State has defined "deficient in basic literacy skills" for youth eligibility; 3) State has defined needs "additional assistance" to complete an educational program.

Composite Index for Employer Services
Represents % of the following actions taken by a given state:
1) State has a strategy for serving the employer customer; 2) State has methods in place to identify skills needs of employers, and has disseminated proposed methods to LWIAs; 3) State has marketing strategy to advise employers of available services.

Composite Index for Services to Claimants
Represents % of the following actions taken by a given state:
1) State developed process for informing UI claimants of services available under WIA; 2) State has established a WPRS feedback mechanism through the new One-Stop system.

Designation of Eligible Services Providers
Represents % of the following actions taken by a given state in the area of designation of Eligible Service Providers: 1) State has developed criteria for Local Boards to use in selecting providers of core and intensive services; 2) State has established procedures for Local Boards to follow in determining initial eligibility of training providers; 3) State has designated a State agency to carry out the duties associated with the identification of eligible training providers; 4) State has established policies for maintaining the provider list; 5) State has developed an approved list of eligible training providers; 6) State has developed a publicly accessible electronic system (Consumer Reports System) for customers with information about training providers.

Performance Measures
Represents % of the following actions taken by a given state in the area of Performance Measures: 1) State has started to run data to get historical performance information; 2) State has negotiated (or has identified a date on which to begin negotiation of) performance levels with Regional Office; 3) State has negotiated performance levels with 100% of Local Boards.

Administration & Finance
Represents % of the following actions taken by a given state in the area of Administration and Finance: 1) State has developed budgets for required Statewide

(15%) activities; 2) State has developed budgets for discretionary Statewide (15%) activities; 3) State has issued policies/instructions to LWIAs on cost allocation.

Appendix C:

DOL's *Planning Guidance and Instructions for Submission of the Strategic Five-Year Plan*

PLANNING GUIDANCE AND INSTRUCTIONS

FOR SUBMISSION OF THE

STRATEGIC FIVE-YEAR STATE PLAN

FOR

TITLE I
OF THE WORKFORCE INVESTMENT ACT OF 1998
(WORKFORCE INVESTMENT SYSTEMS)

AND

THE WAGNER-PEYSER ACT

U.S. Department of Labor
Employment and Training Administration
200 Constitution Avenue, N.W.
Washington, D.C. 20210

February 1999

OMB Control No. 1205-0398
Expires August 31, 1999

STATE PLANNING GUIDANCE FOR

TITLE I
OF THE WORKFORCE INVESTMENT ACT OF 1998
(WORKFORCE INVESTMENT SYSTEMS)

AND

THE WAGNER-PEYSER ACT

STATEMENT OF PURPOSE

The purpose of this document is to provide guidance to States and localities on the development of the five-year strategic Plan for Title I of the Workforce Investment Act and for the Wagner-Peyser Act. The Planning Guidance and Instructions provide a framework for the collaboration of Governors, Local Elected Officials, businesses and other partners to design and build workforce investment systems that address customer needs; deliver integrated, user-friendly services; and are accountable to the customers and the public.

BACKGROUND

Technological change and the global economy have radically changed workers' lives from the lifelong employment they knew just one generation ago. Today's workers, whether new or experienced, must engage in a continuing process of developing their skills and abilities to perform effectively in changing work environments. All must be ready, willing and able to make multiple job changes -- either with one employer or with several employers -- just as successful businesses often have to make changes in markets or market focus.

The dynamic nature of the global economy requires forward thinking and quick action to take advantage of the opportunities being created. Workers and employers must be increasingly informed about available and emerging employment and training options in order to make decisions that will ensure both their short- and long-term success.

The Workforce Investment Act (WIA) of 1998 represents a national consensus on the need to restructure a multitude of workforce development programs into an integrated workforce investment system that can better respond to the employment needs of its customers -- current workers, unemployed workers, workers laid-off due to restructuring or downsizing, and new entrants to the labor force, as well as employers. Passage of this legislation completes a four-year bipartisan effort of the Administration and the Congress to design, in collaboration with States and local communities, revitalized workforce investment systems. These locally-operated, demand-driven workforce investment systems will increase the employment, retention, earnings and occupational skill attainment of participants through improved career information and guidance, job search assistance, and Individual Training Accounts. Employers' needs will be

identified and used to help drive decisions of job seekers. Achieving these goals will improve the quality of the workforce, reduce welfare dependency, and enhance the productivity and competitiveness of the Nation.

WIA reflects a strong commitment among managers, providers and investors in the public employment and training system to fundamentally refocus the entire system on customer service and performance accountability. The Act incorporates several key principles that are to guide this redirection:

- *Streamlining services* through the integration of multiple employment and training programs, including WIA and the Wagner-Peyser Act, at the "street level" through One-Stop service centers;

- *Empowering individuals* with the information and resources they need to manage their own careers through Individual Training Accounts and better statistics on the performance of service providers, as well as on the skills demanded by employers;

- *Universal access* for all job seekers to a core set of career decision-making and job search tools;

- *Increased accountability* of the delivery system to achieve improved results in job placement, earnings, retention in unsubsidized employment, skill gains, and occupational/academic credentials earned;

- *Strong role for local boards and the private sector* by shifting emphasis from "nitty-gritty" operational details to strategic planning and oversight of the One-Stop delivery system;

- *State and local flexibility* to ensure that delivery systems are responsive to the needs of local employers and individual communities; and

- *Improved youth programs* that strengthen linkages between academic and occupational learning and other youth development activities.

FOCUS ON CUSTOMER SERVICE

- **ONE-STOP PARTNERSHIPS TO EXPAND SERVICES FOR ADULTS**

  Under WIA, workforce investment systems will be the trusted source for training and labor exchange services. Programs will be aligned to provide an extensive menu of demand-driven, high-quality labor market information and services that can be easily accessed.

  The cornerstone of this new workforce investment system is One-Stop service delivery,

which makes available numerous training, education and employment programs in a single, customer-focused, user-friendly service system at the local level.

The Act specifies nineteen required One-Stop partners and five optional partners to help maximize customer choice. For example, the unemployment insurance (UI) program is a critical item on the menu of assistance, as the temporary income support component of the larger effort to quickly return unemployed workers to suitable employment. WIA requires coordination among all Department of Labor-funded workforce programs -- including the Wagner-Peyser Act programs, unemployment insurance, Veterans Employment and Training Service (VETS), Trade Adjustment Assistance (TAA), North American Free Trade Agreement/Transitional Adjustment Assistance (NAFTA/TAA), and the Welfare-to-Work program -- as well as other federal employment and training programs administered by the Departments of Education, and Housing and Urban Development. For example, the Act requires that Individual Training Accounts be offered only when Education-funded Pell grants are insufficient, which will require new mechanisms for coordination between the two programs.

Real World Examples of Existing One-Stop Integration

• Housed in a 62,000 square foot building, accessible by public transportation, this One-Stop Center offers a fully integrated and consolidated delivery system consisting of 16 partners providing comprehensive employment and training services. The partnership includes agencies administering employment and training programs under JTPA, the Employment Service, child care resources, the technical college, the county human services agency, the local school district, a community action agency, the senior community service employment program, various community-based organizations and a number of private for-profit organizations. The Center has *one* outreach campaign directed toward job seekers and employers, and *one* single point of contact for employers, which brokers all available employment and training programs and services, regardless of partner affiliation. This One-Stop Center also has one client/management/financial information system which allows any partner to access and input information. From providing personalized career counseling and employment services that help job seekers establish career goals and update their skills, to providing businesses with much needed personnel resources and customized action plans to help them locate skilled workers, this One-Stop Center has forged a vital link between employers and those seeking employment.

• Another One-Stop partnership includes representatives of 38 programs and organizations, from the Community College districts to the Employment Security Agency to the Department of Social Services. This One-Stop places a high priority on the needs of the employer customer, as well as those of the job seeker. Unlike the first example, this One-Stop system is not housed at just one physical location, but rather includes a number of "no wrong door" Centers or "campuses" that are customized to the needs of different customer groups. These include a One-Stop at the local mall serving youth, a Next Step Center for veterans, and a One-Stop for seniors, with additional entry points through the Community College Districts. The anchor campus focuses on adult job seekers and services to employers. It houses JTPA services, the Employment Service, a job club for professionals, and a state of the art resource center with core job search services for the public. The campus setting encourages collaboration and fosters a growing sense of working together for the benefit of the customer, not the separate agencies. As new partners join the One-Stop, they bring new resources, talents, and options to the table that enable the system to better serve its customers. The strength and commitment of this partnership was a key factor in the PIC's customer satisfaction index rising from 80% in 1995 to 93% in 1998.

The Act also encourages coordination with all other relevant programs, such as those administered by the Departments of Agriculture, Health and Human Services, and Transportation. All of these Departments will be working

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together to ensure greater communication and collaboration at the federal level. At the local level, the Department expects that the list of partners will be expanded to include a variety of community resources that will help serve One-Stop customers.

The Department also expects that the concept of partnership will move well beyond traditional coordination to *operational* collaboration, thus making more and better services available to the individual customer. States and local areas should think expansively, working with all partners to develop integrated One-Stop systems with comprehensive, seamless, responsive service delivery to all customers, including recent graduates, new entrants to the labor force, welfare recipients, incumbent workers, unemployed workers, displaced homemakers, individuals seeking nontraditional training, older workers, workers with disabilities and others with multiple barriers to employment, as well as businesses. For example, collaboration between the workforce investment and welfare systems is critical, since the focus of both is helping people -- often the same people -- find, keep, and move into progressively better jobs.

In order to better serve our customers, the Act specifically requires that at least one physical location be established in each workforce investment area with access to all required One-Stop services. In addition, satellite offices can be electronically linked to facilitate easy access to services through multiple "no wrong door" entry points for customers. In order to make services available to all customers, the One-Stop system must be accessible by persons with disabilities and should be accessible by those who rely on public transportation.

Intergovernmental partnerships between all three levels of government -- federal, state and local -- will also be critical to successfully building and implementing this new workforce investment system. The Department intends that its Regional Offices will work in partnership with their State and local partners in designing the new workforce environment, helping to ensure creation of a responsive, locally-driven system characterized by real program integration, sound governance structures, high quality service providers and built-in accountability. Ideally, this intergovernmental partnership will begin in the planning and Plan-writing stages and continue throughout implementation. We see this partnership as essential to the success and continuous improvement of the system.

While the workforce investment system has already taken great strides toward integration and partnership, moving this transition forward will be challenging. But with WIA as the catalyst for change, its planning process becomes the critical opportunity for States and local stakeholders to develop a shared vision and strategy to move their systems forward.

- **THE ROLE OF THE EMPLOYMENT SERVICE**

A State's five-year strategic Plan for WIA Title I will integrate the Wagner-Peyser Act planning requirements, replacing the annual Wagner-Peyser Act Plans. Funding remains distinct, however. As a result, the programs must remain distinctly accountable to

Congress.

Nonetheless, WIA requires the Employment Service to provide services within the One-Stop system so that services appear seamless to customers (both job seekers and employers). In particular, the Employment Service has played and should continue to play a critical role in One-Stop service delivery as the primary job matching resource for employers and job seekers, including unemployment insurance (UI) claimants, in order that they return more quickly to the workforce, as well as for other targeted groups, such as veterans, and migrant and seasonal farmworkers, who may need more intensive services. Customers in need of specialized Wagner-Peyser Act-funded services, such as veterans, should have easy access to all services through the One-Stop system. Furthermore, labor exchange services to employers should be integrated with all other employer services available in the local area.

- **IMPROVED YOUTH OPPORTUNITIES**

WIA also encourages youth programs to be connected to the One-Stop system, as one way to connect youth to all available community resources. Furthermore, the Act envisions improved youth opportunities. This is apparent by the fact that Congress specifically authorized youth councils, as part of local Boards, with authority for developing the youth-related portions of the Local Plans, recommending youth service providers to the local Boards, coordinating youth services, and conducting oversight of local youth programs and eligible providers of youth programs.

These youth councils have been charged with the responsibility to design youth programs that connect youth with the full range of services and community resources that will lead to academic and employment success. To do so, councils must coordinate with all available resources, such as Job Corps, School-to-Work, educational agencies, Youth Opportunity Grants, welfare agencies, community colleges, and other youth-related programs and agencies.

- **MEETING EMPLOYER AND LOCAL LABOR MARKET NEEDS**

The effectiveness of all of these services for adults and youth will be directly proportional to how well they meet the needs of local employers -- small, medium and large -- in the local labor markets. As a critical customer group, employers should be extensively involved in setting job and skill requirements, which are reflected in job orders as well as the local labor market information available through the One-Stop delivery system. Thus, local Boards must be led by key employers and have the flexibility and authority to develop systems tailored to current and projected local labor market needs.

PERFORMANCE ACCOUNTABILITY FOR PROGRAMS UNDER TITLE I OF WIA

- **INDIVIDUAL TRAINING ACCOUNTS**

  Through the One-Stop system, all adults have the opportunity to access core services, which range from job search and placement assistance to labor market information. If needed, the One-Stop delivery system provides access to intensive and training services, including Individual Training Accounts (ITAs) for eligible participants. Along with an ITA, consumer information will be available regarding the performance of each training provider. Eligible participants will select training that best meets their needs from the training provider that has the best outcomes. Furthermore, this provider data will equip local Boards to play a key gatekeeping role, by certifying only those providers with good outcomes. Thus, ITAs will inject increased competition into the public and private training market. Good providers will attract students and flourish in the WIA system; poor providers will not. This market-driven system will ultimately produce better training and greater participant success in the labor market, which will be reflected in local performance.

- **NEGOTIATED PERFORMANCE INDICATORS**

  Beyond the required core, intensive and training services, WIA allows considerable flexibility in system design, in exchange for both accountability for a key set of outcomes and improving those outcomes over time. To accomplish this, the Act requires the Secretary of Labor and the Governor of each State to reach agreement on the State's performance levels for the core indicators of performance, and for a customer satisfaction indicator that measures employers' and participants' satisfaction.

  Timing such negotiations may be challenging, since the Governor and Secretary must reach agreement prior to approval of the State plan. Thus, early in this process, the Department will work with a broad range of State and local partners to develop guidance on the core performance measures, reporting requirements, and incentive and sanction policies.

  The negotiated performance levels for the first three program years must be included in the State's five-year Plan (with levels for the fourth and fifth years to be agreed to before the beginning of the fourth program year). These levels of performance become the basis for sanctions for failed performance and, with additional performance levels under Adult Education and Vocational Education, the basis for incentive grants.

  Over the coming months, the Department will begin updating its own strategic plan required under the Government Performance and Results Act (GPRA) to reflect WIA and the changes that accompany its enactment. New national goals will be proposed which will serve as a departure point in negotiating core performance indicators with States. To assist in identifying and negotiating performance levels, the Department will also work with States to provide State and local Job Training Partnership Act (JTPA) performance

information.

Although the Act provides for a ninety-day period after Plan submission in which to finalize the performance levels specified in the Plan, the Department expects States to enter into preliminary discussions with the local boards and the Employment and Training Administration's Regional Administrators before submitting the State Plan. States are expected to come to the negotiating table with support from their local boards for the proposed performance goals. Entering into preliminary discussions prior to Plan submission will maximize the time available to States, local areas, and the Department to develop a shared set of goals. ETA Regional Administrators will coordinate with other Department of Labor program administrators, including the Veterans' Employment and Training Service (VETS) Regional Administrators, to assure comprehensive Departmental participation. The Department will provide additional guidance regarding the negotiation process at a later date.

- **CONTINUOUS IMPROVEMENT**

The Act requires that the State's performance goals reflect continuously improving performance over time. Continuous improvement is a cyclical, never-ending process of planning, implementing, evaluating, and improving services. Such improvements may be defined in terms of quantity and quality, and should result in more customers being served; better employment, earnings and skill attainment outcomes; attainment of self-sufficiency; and higher levels of customer satisfaction. There are many ways to achieve continuous improvement. For example, tracking performance will give States the information needed to evaluate and improve services; enhancing partnerships will expand the Boards' ability to drive good outcomes; and strategic investments in training and technology will increase State and local productivity and effectiveness.

Clearly, the Act is envisioning a workforce investment system comprised of organizations driving toward high performance. This challenge can only be met by building a workforce investment system made up of high performance organizations at the local, State, regional and national levels of that system -- one that is grounded on proven quality principles and practices, and that aligns resources to meet and then exceed shared goals. This system-wide deployment of an effective continuous improvement strategy will require not only cultural changes within the workforce investment system at all levels, but also the development of new kinds of skills and knowledge among the individuals who work in that system. The Department is strongly committed to this system-wide continuous improvement approach, and will be providing further technical assistance on its design and implementation based upon consultations with stakeholders at the local, state and national levels.

PLANNING FOR TITLE I OF WIA AND THE WAGNER-PEYSER ACT

The strength of the State Plan hinges on the working partnerships in place between the Governor,

local elected officials, local boards, and other partners in the workforce investment system. The State planning document should be the culmination of strong collaboration and partnership-building at both the State and local levels. For example, the plan should take into consideration the agreement reached between the Secretary and the State regarding veterans' employment programs, pursuant to Section 322 of WIA. The local elected officials and the local workforce boards, working with the business community, service providers and community-based organization leaders, together play vital roles in shaping the vision and customizing the system to respond to specific local labor market needs. Emphasizing the importance of these relationships during the developmental stages of planning will help ensure that the State's five-year strategic plan is broad enough to encompass differing State and local approaches, yet specific enough to reflect local visions, needs and economic development strategies.

The *planning process*, then, spearheaded by the Governor and State Board in collaboration with local elected officials and local boards, becomes the way to secure the partners' full endorsement of the vision, along with performance goals and the critical strategies needed to attain them.

The *plan document* describes the destination, lays out the strategic roadmap, and identifies the key landmarks that will let the system know it is on track. This five-year strategic plan -- with the statewide vision, goals, strategies, policies, criteria and measures -- becomes a living document, a management tool that federal, State, and local partners will use to guide the evolution of the workforce investment system and to assess progress toward the State goals.

The Plan will be invaluable because it will allow the Governor and State Board to continually check State and local progress against their long-term goals and vision, and make adjustments as needed. However, for the Plan to be a true management tool, it will also require ongoing modification. Strategies and visions are based on assumptions regarding the economic and operating environments that are, after all, dynamic. Also, WIA encourages experimentation and risk-taking, which will inevitably result in failures as well as successes. Accordingly, State and local partners must view planning as more than simply a one-time event that ends with the submission and approval of the Plan.

The strategies outlined in the State Plan, augmented by local strategies, should lead to continuously improving results for the workforce investment system. Achieving continuous improvements in performance will be a function of the following:

- *Leadership:* The ability of State and local boards to establish a clear vision of how the workforce investment system can be responsive to their customers, to develop critical partnerships, including partnerships with business and community-based organizations, and to mobilize sufficient resources.
- *Services:* The responsiveness of services to varying customer needs.
- *System Infrastructure:* The effectiveness of service and management support systems to achieve quality results and customer service.
- *Performance Management:* The ability to track key measures of success and to use that data to improve performance.

Accordingly, the State Plan should focus on these critical areas, with the leadership, services, system infrastructure, and performance management systems all supporting continuous progress toward the State's vision and goals. The State Plan must also address all WIA and Wagner-Peyser Act statutory planning requirements.

- **THE CRITICAL ROLE OF THE BOARDS**

  Strong State Workforce Investment Boards (SWIBs) will be led by top business executives who can ensure that the system is responsive to current and projected job market realities, will contain a broad range of partners needed to develop a comprehensive vision for the workforce investment system, and will focus on strategic decisions, not operational management. WIA requires a broad range of Board members because having all partners "at the table" is key to developing a comprehensive vision and effective strategies. For this reason, the Planning Instructions require States that use an alternative entity to show how they have involved all the required Board members in planning and implementation.

  At the local level, it is equally important that strong, business-led Boards contain key partners who are involved in shaping a clear local vision in a way that is consistent with the State's vision and goals and that is responsive to local needs.

  Both Boards take responsibility for making several critical decisions on how to achieve the Plan goals:

  - How best to organize the service system to most effectively serve customers, including dislocated workers (including displaced homemakers), low-income individuals (including welfare recipients), individuals training for non-traditional employment, other individuals with multiple barriers to employment (including older workers and individuals with disabilities), veterans, women, and minorities (including persons with limited English speaking ability);
  - How best to deploy available resources to achieve desired results and build capacity for continuous improvement; and
  - How to expand the resource base and service capability through the development of strategic partnerships and integrated service delivery.

  The State Board's actions should increase the ability of the local Boards to respond to local needs and to achieve results in their respective local areas. Correspondingly, the actions of the local Boards should increase One-Stop providers' ability to respond to the needs of their job seeker and employer customers. To do so, local Boards will need significant flexibility to set policies that will determine what services to make available, how to deliver services, and how to effectively engage local employers. To maximize their value to the system, State and local Boards may want to track the satisfaction of their internal customers (for States, the local Boards; and for local Boards, service providers), to get feedback on their performance and make improvements.

The State Board also plays a critical role in shaping youth services by defining the criteria for membership on local youth councils. These youth councils are essential to ensuring the provision of coordinated services that meet the needs of youth, as well as of the local community. Thus, it is important that they represent a wide range of community resources, including local board members with special interest or expertise in youth services, representatives of youth services agencies, parents, and other individuals and organizations that have experience with youth. The youth councils will be central to developing the portions of the local Plan that pertain to youth, recommending providers of youth services, holding the providers accountable to established performance goals and coordinating youth activities in the area.

All of these responsibilities focus the activities of the State and local Boards and the local youth councils on strategic, not operational, management. Making investments that expand and enhance service and management capacity will be *the* critical and, for many, new role of the State and local Boards and the local youth councils.

STATE PLAN SUBMISSION

- **STATE READINESS**

States must complete the transition to WIA no later than July 1, 2000 and submit a complete five-year State Plan by April 1, 2000. Thus, the Department anticipates that Governors and local elected officials will begin as soon as possible to form partnerships, develop plans and begin implementation. Recognizing that States are starting from different points, this guidance provides flexible approaches for all States to begin the process.

The Act requires the Department to approve State Plans that are consistent with WIA (§112(c)). A Plan will be considered complete and responsive to the Act if it addresses all of the planning requirements in Attachment A, including such critical elements as:

- State Board, including conflict of interest provisions
- State criteria for the appointment of local Board members
- Local Workforce Investment Areas
- Allocation formulas
- Procedures for certifying training providers for inclusion on the list of eligible providers
- Procedures to manage the operation of the Individual Training Account system
- Procedures to operate the consumer report card system
- Strategies to coordinate services provided through the local One-Stop system
- Financial and management information systems
- Performance measurement systems, including those necessary for wage record follow-up of employment and earnings

All States must be in compliance with WIA, including all of the elements listed above prior to July 1, 2000 when JTPA expires, and must submit a complete five-year Plan by April 1, 2000. Single workforce investment area States must also submit a Local Plan, instructions for which can be found in Attachment D.

The Department encourages States to move ahead as quickly as possible to implement WIA anytime between July 1, 1999 and July 1, 2000. States intending to implement WIA beginning on July 1, 1999, should submit their State Plans no later than April 1, 1999. States planning to implement WIA sometime between July 1, 1999 and July 1, 2000, may submit their plans at any time, but no later than April 1, 2000. The Department will provide additional transition guidance through regulations, policy issuances, and training to help all States implement WIA as smoothly as possible.

There are four ways a State can develop and submit a Plan to make the transition to WIA.

- ***Option 1: Full Early Implementation.*** States that have all of the critical elements in place and can fully address all of the planning requirements (in Attachment A) may submit a complete five-year WIA Plan and request review for full Plan approval.

- ***Option 2: Transition Plan.*** States that do not have all of these elements in place may submit a Transition Plan that includes a description of how PY 99 funds will be used during the State's transition to WIA operation by July 1, 2000. This Plan must address all Plan requirements, but where transition is not yet complete, the Plan should describe and include a timeline demonstrating how the State plans to become fully operational by dates specified in the Plan, but no later than July 1, 2000. Transition Plans will be reviewed for compliance with the planning guidance and statutory requirements. Transition Plans will be approved to authorize expenditure of PY 99 JTPA funds in accordance with the transition provisions of the Plan and will be conditionally approved for full WIA operation on July 1, 2000 or such date specified in the Plan. Full WIA plan approval will be conditioned upon supplemental Plan descriptions, and modifications when necessary, in those areas that were not completely described in the initial Transition Plan. Under this option, in PY 1999, States may transition to WIA even though all policies, procedures and systems are not fully developed. Correspondingly, States may allow local areas to transition to WIA individually as each local area is ready to do so.

- ***Option 3: July 1, 2000 Implementation***. States planning to submit State Plans by April 1, 2000 for WIA implementation beginning on July 1, 2000 may transition to WIA using JTPA authority, existing waiver authority (including Workflex waivers), and the authority under WIA to spend up to two percent of JTPA funds for planning WIA implementation. For instance, States may use this flexibility to engage in strategic planning, establish State

and local Boards, consult with One-Stop partners, and establish ITA systems and consumer report systems. The Department encourages States to take advantage of this flexibility, and plans to issue further transition guidance and technical assistance. States may also work with their Regional Administrators for an informal "check" on portions of their Plans before they are submitted as part of the formal Plan submission.

- ***Option 4: Unified Plan.*** All States, whether they submit a State Plan under Option 1, 2, or 3, may submit the State Plan as part of a Unified Plan in accordance with WIA section 501. The Department will keep States informed about the status of Unified Planning Guidance (developed jointly with the other responsible federal departments).

All States may use up to 2% of their JTPA funds for WIA planning, to begin the transition. States wishing to spend more than 2% of their JTPA funds on transition to and implementation of WIA provisions should consider submitting a Plan under Option 1 or 2.

The amendments to the Wagner-Peyser Act take effect on July 1, 1999. Therefore, States that submit a full Plan or a Transition Plan that covers (at a minimum) the Wagner-Peyser planning requirements prior to May 1, 1999 do not have to submit a separate Wagner-Peyser Plan. States that opt to submit their full five-year or Transition Plan after May 1, 1999 must submit an annual Wagner-Peyser Plan for PY 99 by May 1, 1999 unless a State waiver has been granted. Further guidance will be forthcoming.

- **PLAN SUBMISSION REQUIREMENTS**

The Secretary of Labor has designated the Employment and Training Administration (ETA) to administer WIA. Plans must have an original signature of the Governor, and the name of the Governor must be typed below the signature. States should submit their State Plan (with an original signature) along with two copies to the U. S. Department of Labor, WIA Task Force as follows:

Mr. Raymond L. Bramucci, Assistant Secretary
Employment and Training Administration
U.S. Department of Labor
200 Constitution Ave., NW, Room S-5513
Washington, DC 20210
ATTN: Eric Johnson, Director, WIA Task Force
(wia98tf@doleta.gov)

One copy of the Plan (with an original signature) must also be sent simultaneously to the appropriate ETA Regional Administrator listed in Attachment C.

States may also submit State Plans via diskette or e-mail. In order to transmit electronically, States must have WordPerfect or Microsoft Word format. (Macintosh

versions cannot be accepted.) States submitting State Plans electronically should transmit one copy of the plan to the U.S. Department of Labor, WIA Task Force at the address or e-mail address identified above, and one copy to the appropriate ETA Regional Administrator listed in Attachment C. States that submit State Plans electronically will not have to submit additional paper copies, but must submit signature pages with an original signature to both the national and regional offices.

For States wishing to implement WIA beginning on July 1, 1999, the Department must receive their Plans by April 1, 1999. Earlier submissions will also be accepted. States wishing to implement WIA between July 1, 1999 and July 1, 2000 may submit their Plans anytime before April 1, 2000. All States must have their full Plans in no later than April 1, 2000.

Whenever a State submits its Plan, section 404 of WIA (which amends Title I of the Rehabilitation Act of 1973) requires the State to submit its Vocational Rehabilitation State Plan on the same date.

- **PLAN REVIEW**

While the Department expects States to enter into preliminary discussions with the local boards and the Regional Offices on the negotiated levels of performance before Plan submission, State Plans submitted pursuant to section 112 will be formally reviewed for up to ninety days for compliance with the provisions of the Workforce Investment Act and requirements described in section 8(a) of the Wagner-Peyser Act. Plans that are consistent with and meet all provisions of the Acts and that establish acceptable levels of performance will be considered approved.

- **GRANT PACKAGES**

ETA will issue separate grant instruction packages (grant agreement, assurances/ certifications, electronic account forms, etc.) to the States. Sufficient lead time will be provided for the completion of the package and for execution of the grant documents. Grant funds will be provided in accordance with the allotments published in the Federal Register for the appropriate Program Year, if the State has met the Plan and Grant Agreement submission requirements pursuant to sections 112 and 189(c) of the Act, respectively.

PLAN MODIFICATIONS

Modifications will likely be needed in any number of areas to keep the Plan a viable, living document over its five-year life. The Act gives States authority to modify WIA Plans based on unanticipated circumstances, and the Department expects that States will modify their Plans if changes in economic conditions, or federal or State law or policy *seriously* affect the Strategic Plan's viability. Accordingly, States should submit a modification if there are *substantial* changes

in State law, the statewide vision, strategies, policies, performance indicators or goals, under either Title I or the Wagner-Peyser Act. For example, changes in the methodology used to determine substate allocations, and reorganizations which change the working relationships with system employees or result in reassigned responsibilities will require a modification. States will also be required to submit a plan modification to adjust their mix of services if performance goals are not met after the first year. States may wish to use the annual report process as an opportunity to review their State Plan and develop modifications as needed. Modifications to the State Plan are subject to the same public review and comment requirements that apply to the development of the original State Plan. States should direct any questions about the need to submit a plan modification to their Regional Office contact listed in Attachment C.

DESCRIPTION OF ATTACHMENTS

Attachment A: Planning Instructions
Attachment B: Optional Table for State Performance Indicators and Goals
Attachment C: Regional Office Addresses
Attachment D: Local Planning Guidance for Single Workforce Investment Area States

INQUIRIES

Inquiries should be addressed to the appropriate ETA Regional Office, listed in Attachment C.

Attachment A

STRATEGIC FIVE-YEAR STATE WORKFORCE INVESTMENT PLAN

FOR

TITLE I
OF THE WORKFORCE INVESTMENT ACT OF 1998
(WORKFORCE INVESTMENT SYSTEMS)

AND

THE WAGNER -PEYSER ACT

STATE/COMMONWEALTH OF

_____

for the period of

_____

☐ **FULL PLAN**

☐ **TRANSITION PLAN**

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PREAMBLE

These instructions are based on the planning requirements of Title I of the Workforce Investment Act, found primarily in sections 111 and 112, and the Wagner-Peyser Act and regulations. These instructions do not follow the order of the requirements found in the Acts; rather, they have been formatted to help States to create viable strategic plans.

States that opt to submit a Transition Plan for conditional approval must address all of the planning requirements outlined in the instructions. For those elements that are still in transition, the Plan should describe their strategies and timeline for implementation by July 1, 2000.

States should develop Plans that are as long or short as needed to address the following requirements; however, the Department suggests that Plans be less than 50 single-spaced pages (without attachments).

EXECUTIVE SUMMARY

Enclose a brief summary (e.g., two pages or less) of the State Plan that gives a general overview of the State's workforce investment system. This executive summary should include a discussion of your State's economic and workforce development goals, and how the statewide workforce investment system will support them. It should also include an overview of major accomplishments in the development of your system as it exists today; a brief description of the system as it looks today; a snapshot of how the system (including major partner involvement) will change over the five-year period; and a description of how performance will improve as a result.

I. **PLAN DEVELOPMENT PROCESS:** WIA gives States and local areas a unique opportunity to develop employment and training systems tailored specifically to States' and local areas' needs. Since the State Plan is only as effective as the partnerships that can operationalize it, it should represent a collaborative process among State and local elected officials, Boards and partners (including private sector partners) to create a shared understanding of the State's workforce investments needs, a shared vision of how the workforce investment system can be designed to meet those needs, and agreement on the key strategies to attain this vision. This type of collaborative planning at all stages -- from the initial planning discussions through drafting the State Plan document -- will enable the State Plan to both drive local system improvements and allow room for strategies tailored to local needs. Plan development must also include an opportunity for stakeholder and public review and comment.

In this section, States will describe their Plan development process, including a discussion of how comments were incorporated wherever possible.

A. Describe the process for developing the State Plan (including a timeline) that ensures meaningful public comment. Include a description of the Governor's and the State Board's involvement in drafting, reviewing and commenting on the Plan. What actions did your State take to collaborate in the development of the State plan with local elected officials, local workforce boards and youth councils, the business community (including small businesses), labor organizations, educators, vocational rehabilitation agencies, and the other interested parties, such as service providers, welfare agencies, community-based organizations, transportation providers and advocates? (§§111(g), 112(b)(1), 112(b)(9).)

B. Include all comments received (or a summary), and demonstrate how comments were considered in the plan development process. (§112(b)(9).)

II. **STATE VISION AND GOALS:** A vision creates organizational alignment around a picture of a transformed future. It propels the organization toward achieving difficult but attainable strategic goals. Vision drives systematic improvements and produces outcomes. It is dynamic, not static. Performance indicators and goals are used to track the organization's progress.

WIA envisions broad and dramatic changes that result in a reinvigorated, integrated workforce investment system that coordinates more resources, serves more people, and achieves better outcomes. States and local areas should work with all required and, where appropriate, optional partners to creatively design integrated One-Stop systems, with seamless services for all customers. For example, collaboration between the workforce investment and welfare systems is critical, since the focus of both is to help people prepare for work, find jobs, retain jobs, and increase earnings. States should take the lead in assuring the maximum use of Individual Training Accounts. States and local boards should also think expansively to design youth programs that broaden and enhance young people's connections to post-secondary education opportunities, leadership development activities, mentoring, training, community service, and other community resources.

In this section, you will identify your State's broad strategic economic and workforce development goals (e.g., "All people who want to work can find jobs. There will be a growing number of business start-ups. Fewer people will rely on welfare assistance."). You will then describe the shared vision of how the WIA workforce investment system will support attainment of these goals; and finally, performance indicators and goals, which the entire statewide system can use to track its progress toward the strategic goals.

The Act requires States to track the core indicators of performance described in section 136 (e.g., entered unsubsidized employment, retention and earnings, attainment of education or occupational credentials and/or skills, and the customer satisfaction indicator). While the State and local areas may choose to use additional indicators, at a minimum, your State must identify its goals for each of these required indicators for the first three program years.

A. What are the State's broad strategic economic and workforce development goals? (§§111(d)(2), 111(d)(6), 112(a), 112(b)(3).)

B. Provide (in a few paragraphs) the State's vision of how the WIA statewide workforce investment system will help the State attain these strategic goals. This vision should address the specific emphases of Title I of the Act and provide a brief description of what the State's workforce investment system will look like at the end of the five-year period covered by this Plan. Some specific questions that should be answered by the vision statement are:

- In five years, how will services be further streamlined?

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- What programs and funding streams will support service delivery through the One-Stop system?
- Typically, what information and services will be provided and how will customers access them? How will the goal of universal access be assured?
- For customers who need training, how will informed customer choice and the use of the Individual Training Accounts (ITAs) be maximized?
- How will Wagner-Peyser Act and unemployment insurance services be fully integrated into the system?
- How will the State's workforce investment system help achieve the goals of the State's welfare, education, and economic development systems?
- How will the youth programs be enhanced and expanded so young people have the resources and skills they need to succeed in the State's economy? (§§111(d)(2), 112(a).)

C. Identify the performance indicators and goals the State has established to track its progress toward meeting its strategic goals and implementing its vision for the workforce investment system. At a minimum, States must identify the performance indicators required under section 136, and, for each indicator, the State must develop an objective and quantifiable performance goal (the "State-adjusted level of performance") for each of the first three program years. States may want to use a chart such as the one in Attachment B. (Further guidance, including definitions of specific indicators, will be provided separately.) States are encouraged to address how the performance goals for local workforce investment areas and training providers will help them attain their Statewide performance goals. (§§112(b)(3), 136.)

Summary of WIA's Core Indicators of Performance

- **For Adults, Dislocated Workers and Youth 19-21**
  1. Entry into Unsubsidized Employment
  2. 6-Months Retention in Unsubsidized Employment
  3. 6-Months Earnings Received in Unsubsidized Employment
  4. Attainment of Educational or Occupational Skills Credential by participants who enter unsubsidized employment, or by youth who enter postsecondary education, advanced training or unsubsidized employment
- **For Youth 14-18**
  1. Attainment of Basic Skills, Work Readiness and/or Occupational Skills
  2. Attainment of Secondary School Diplomas/ Equivalents
  3. Placement and Retention in Post-Secondary Education/Advanced Training, Military, Employment, or qualified Apprenticeships
- **Customer Satisfaction Indicator for Participants and Employers**

III. **ASSESSMENT:** To achieve your vision, you start by assessing where you are today -- your current market realities and your system's readiness. This assessment provides the foundation for mapping out strategies to achieve your vision.

In this section, you will identify your customers, their needs, and your ability to fulfill them. You will also address the systems and policies you already have in place to achieve the State goals, and identify strengths to build on, weaknesses to improve on, opportunities for action and challenges to progress.

A. Market Analysis

1. Describe the key trends that are expected to shape the economic environment of the State during the next five years. Which industries are expected to grow? Which will contract? What are the economic development needs of the State? What data sources support the State's market analysis? (§112(b)(4).)

2. Identify the implications of these trends in terms of overall availability of employment opportunities by occupation, and the job skills necessary in key occupations. (§112(b)(4).)

3. Who are the customers of the State's workforce investment system? States may wish to identify major customer segments. (For example, the adult population might be segmented into dislocated workers, public assistance recipients, older workers, veterans, migrant and seasonal farmworkers, Native Americans, persons with disabilities, women, and minorities. The employer customer might be segmented into growth employers, large and small businesses, employers that currently use the workforce investment system and employers that do not. The youth population might be segmented into in-school and out-of-school youth.) (§§112(b)(4), 112(b)(17).)

4. Given the projected job skills needed in the State, identify for each of your customer segments their projected skill development needs. (§112(b)(4).)

B. State Readiness Analysis

1. Leadership

a. State Workforce Investment Board.

i. Describe the organization and structure of the State Workforce Investment Board. Did you create a new Board or did you "grandfather" an alternative entity as the Board?

If you "grandfathered" an existing Board, (1) state whether the Board existed on December 31, 1997, (2) state whether the Board was established under the Job Training Partnership Act (as a State Human Resource Investment Council or State Job Training Coordinating Committee under JTPA section 122 or Title VII) *or* is "substantially similar" to the WIA membership requirements, and (3) describe how the Board includes, at a minimum, representatives of businesses and labor organizations in the State. (§§111, 112(b)(1).)

ii. Identify the organizations or entities represented on the Board. If you are using an alternative entity which does not contain all the members required under section 111(b)(1), describe how each of the entities required under this section will be involved in planning and implementing the State's workforce investment system as envisioned in WIA. How will this alternative entity achieve the State's WIA goals? (§§111(a-c), 111(e), 112(b)(1).)

iii. Describe the process your State used to identify your State Board members. How did you select Board members, including business representatives, who have optimum policy-making authority and who represent diverse regions of the States as required under WIA? Describe how the Board's membership enables you to achieve your vision described above. (§§111(a-c), 112(b)(1).)

iv. Describe how the State Board will carry out its functions. How will this Board provide direction-setting leadership for the statewide system? (§§111(d), 112(b)(1).)

v. How will the State Board coordinate and interact with the local WIBs? (§112(b)(1).)

vi. How will the State Board ensure that the public (including people with disabilities) has access to Board meetings and information regarding State Board activities, including membership and meeting minutes? (§§111(g), 112(b)(1).)

b. Identify the circumstances which constitute a conflict of interest for any State or local Workforce Investment Board member, including voting on any matter regarding the provision of service by that

member or the entity that s/he represents, and any matter that would provide a financial benefit to that member or his or her immediate family. (§§111(f), 112(b)(13), 117(g).)

c. Identify the criteria the State has established to be used by the chief elected official(s) in the local areas for the appointment of local Board members based on the requirements of section 117. (§§112(b)(6), 117(b).)

d. Allocation Formulas.

i. If applicable, describe the methods and factors (including weights assigned to each factor) your State will use to distribute funds to local areas for the 30% discretionary formula adult employment and training funds and youth funds pursuant to sections 128(b)(3)(B) and 133(b)(3)(B). Describe how the allocation methods and factors help ensure that funds are distributed equitably throughout your State and that there will be no significant shifts in funding levels to a local area on a year-to-year basis. (§§112(b)(12)(A-B), 128(b)(3)(B), 133(b)(3)(B).)

ii. Describe the State's allocation formula for dislocated worker funds pursuant to section 133(b)(2)(B). (§§112(b)(12)(C), 133(b)(2)(B).)

iii. For each funding stream, include a chart that identifies the formula allocation to each local area for the first fiscal year, describe how the individuals and entities represented on the State Board were involved in the development of factors, and describe how consultation with local boards and local elected officials occurred. (§112(b)(12)(A).)

e. Describe the competitive and non-competitive processes that will be used at the State level to award grants and contracts for activities under Title I of WIA, including how potential bidders are being made aware of the availability of grants and contracts. (§112(b)(16).)

f. Identify the criteria to be used by local Boards in awarding grants for youth activities, including criteria used by the Governor and local Boards to identify effective and ineffective youth activities and providers. (§112(b)(18)(B).)

g. If you did not delegate this responsibility to local Boards, provide your State's definition regarding the sixth youth eligibility criterion at section 101(13)(C)(vi) ("an individual who requires additional assistance to complete an educational program, or to secure and hold employment"). (§§101(13), 112(b)(18)(A).)

h. State Policies and Requirements. (§112(b)(2).)

i. Describe major State policies and requirements that have been established to direct and support the development of a statewide workforce investment system not described elsewhere in this Plan. These policies may include, but are not limited to:

- State guidelines for the selection of One-Stop providers by local Boards;
- The State's process to work with local boards and local Chief Elected Officials to certify existing One-Stop operators;
- Procedures to resolve impasse situations at the local level in developing MOUs to ensure full participation of all required partners in the One-Stop delivery system;
- Criteria by which the State will determine if local WIBs can run programs in-house;
- Performance information that on-the-job training and customized training providers must provide;
- Reallocation policies;
- State policies for approving transfer authority (not to exceed 20%) between the Adult and Dislocated Worker funding streams at the local level;
- Policies related to priority of service for recipients of public assistance and other low-income individuals under WIA, and veterans or other groups under the Wagner-Peyser Act;
- Policies related to displaced homemakers, nontraditional training for low-income individuals, older workers, low-income individuals, disabled individuals and others with multiple barriers to employment and training; and
- Policies limiting ITAs (e.g., dollar amount or duration).

ii. Describe how consultation with local boards and local Chief Elected Officials occurred.

iii. Are there any State policies or requirements that would act as an obstacle to developing a successful statewide workforce investment system?

Required Partners:
- Adult, Dislocated Worker and Youth Activities under WIA Title I (including Veterans Workforce Investment Programs, Migrant and Seasonal Farmworker Programs, Indian and Native American Programs, Job Corps and Youth Opportunity Grants)
- Employment Service
- Adult Education
- Postsecondary Vocational Education
- Vocational Rehabilitation
- Welfare-to-Work
- Title V of the Older Americans Act
- Trade Adjustment
- NAFTA Transitional Adjustment Assistance
- Veterans Employment and Training Programs
- Community Services Block Grant
- Employment and training activities carried out by the U.S. Department of Housing and Urban Development

2. Services: Describe the current status of One-Stop implementation in the State, including:

Optional Partners
- Temporary Assistance for Needy Families
- Food Stamps Employment & Training
- National and Community Service Act programs
- Other appropriate federal, State, or local programs (e.g., transportation, child care, community colleges, and economic development)

a. Actions your State has taken to develop a One-Stop integrated service delivery system statewide;

b. The degree of *existing* collaboration for WIA Title I, the Wagner-Peyser Act, and all other required and optional partners (§§112(b)(8)(A), 121(b)(1-2), 134(c));

3. System Infrastructure

a. Local Workforce Investment Areas.

i. Identify the State's designated local workforce investment areas, including those that were automatically designated and those receiving temporary designation. How do these areas compare in size and number with the Service Delivery Areas under JTPA? (§§112(b)(5).)

ii. Include a description of the process used to designate such areas. Describe how the State considered the extent to which such local areas are consistent with labor market areas; geographic areas served by local and intermediate educational agencies, post-secondary educational institutions and area vocational schools; and all other criteria identified in section 116(a)(1) in establishing area

boundaries, to assure coordinated planning. Describe the State Board's role, including all recommendations made on local designation requests pursuant to section 116(a)(4). (§§112(b)(5), 116(a)(1).)

iii. Describe the appeals process used by the State to hear appeals of local area designations. If any appeals were made, identify them and indicate the status of the appeal. (§§112(b)(15), 116(a)(5).)

b. Regional Planning (§§112(b)(2), 116(c).)

i. Describe any intrastate or interstate regions and their corresponding performance measures.

ii. Include a discussion of the purpose of these designations and the activities (such as regional planning, information sharing and/or coordination activities) that will occur to help improve performance. (For example, regional planning efforts could result in the sharing of labor market information or in the coordination of transportation and support services across the boundaries of local areas.)

iii. For interstate regions (if applicable), describe the roles of the respective governors, SWIBs, and LWIBs.

c. Selection of Service Providers for Individual Training Accounts. (§§112(b)(17)(A)(iii), 122, 134(d)(2)(F).)

i. Identify policies and procedures your State established for determining the initial eligibility of local level training providers, how performance information will be used to determine continuing eligibility (including a grievance procedure for providers denied eligibility), and the agency responsible for carrying out these activities.

ii. Describe how the State solicited recommendations from local boards and training service providers and interested members of the public, including representatives of business and labor organizations, in the development of these policies and procedures.

iii. How will the State maintain the provider list?

iv. What performance information on training providers will be available at every One-Stop center?

v. Describe the State's current capacity to provide customers access to the statewide list of eligible training providers and their performance information.

vi. Describe the process for removing providers from the list.

d. What is your State's current capacity to deliver high quality employment statistics information to customers -- both job seekers and employers -- of the One-Stop system? Your response should address the products that have been developed as part of America's Labor Market Information System, the Bureau of Labor Statistics Federal-State cooperative statistical programs, and other State-generated employment statistics. (§§111(d)(8), 112(b)(1), 134(d)(2)(E).)

e. Describe how the work test and feedback requirements (under §7(a)(3)(F) of the Wagner-Peyser Act) for all UI claimants are met. How is information provided to the UI agency regarding claimant registration, claimant job referrals, and the results of referrals? (§112(b)(7).)

f. Describe how the Wagner-Peyser Act staff participate (if applicable) in the conduct of the Eligibility Review Program reviews. Describe the follow-up that occurs to ensure that UI eligibility issues are resolved in accordance with section 5(b)(2) of the Wagner-Peyser Act. (§112(b)(7).)

C. Assessment of Strengths and Improvement Opportunities

1. In sum, how closely aligned is your current system to your vision? Assess your current system's ability to meet the customer and economic needs identified above. What are your key strengths? What weaknesses will you need to address to move forward? Describe any opportunities or challenges to achieving your vision, including any economic development, legislative or reorganization initiatives anticipated that could impact on the performance and effectiveness of your State's workforce investment system. (§§111(d)(2), 112(a).)

2. In moving your current system towards your vision, what are your State's

priorities? (§§111(d)(2), 112(a).)

IV. STRATEGIES FOR IMPROVEMENT: Strategies move you from the current state of readiness toward the State vision and enable you to achieve your performance goals. They align your resources and focus energy on services to meet customer needs and systems to ensure continuous improvement.

In this section, you will describe the strategies and tactics you will pursue to move the system toward your vision and achieve the performance goals identified above. While the Act give States wide latitude to develop systems that meet their unique needs, the Act also contains a number of service requirements which must be incorporated into your statewide strategies. Each strategy described should build on strengths, correct weaknesses, maximize opportunities and deflect challenges, as identified above.

A. Leadership: How will you overcome challenges to align your current system with your vision? How will the State implement WIA's key principles of local flexibility and a strong role for local Boards and for businesses? In your discussion, you must address the following required elements:

1. Describe the steps the State will take to improve operational collaboration of the workforce investment activities and other related activities and programs outlined in section 112(b)(8)(A), at both the state and local level (e.g., joint activities, memoranda of understanding, planned mergers, coordinated policies, etc.). How will the State Board and Agencies eliminate any existing State-level barriers to coordination? (§§111(d)(2), 112(b)(8)(A).)

2. Describe how the State will assist local areas in the evolution of existing local One-Stop delivery systems. Include any statewide requirements for One-Stop systems, how the State will help local areas identify areas needing improvement, how technical assistance will be provided, and the availability of state funding for One-Stop development. Be sure to address any system weaknesses identified earlier in the plan. Include any state level activities that will assist local areas in coordinating programs. (§112(b)(14).)

3. How will your State build the capacity of Local Boards and youth councils to develop and manage effective programs? (§§111(d)(2), 112(b)(14).)

4. Describe how any waivers or workflex authority (both existing and planned) will assist the State in developing its workforce investment system. (§§189(i)(1), 189(i)(4)(A), 192(a).)

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B. Services: How will you meet the needs of each of the major customer groups identified in Section III? How will the State implement WIA's key principles of streamlined services, empowered individuals, universal access and improved youth services? In your discussion, you must address the following required elements: (§§111(d)(2), 112(b)(10), 112(b)(17)(A)(iv), 112(b)(17)(B)), 112(b)(18).)

1. Describe the types of employment and training activities that will be carried out with the adult and dislocated worker funds received by the State through the allotments under section 132. How will the State maximize customer choice in the selection of training activities? (§§112(b)(17)(A)(i), 132, 134.)

2. How will the services provided by each of the required and optional One-Stop partners be coordinated and made available through the One-Stop system? Be sure to address how your State will coordinate Wagner-Peyser Act funds to avoid duplication of labor exchange services. (§112(b)(8)(A).)

3. Describe how the funds will be used to leverage other federal, State, local and private resources (e.g, shared One-Stop administration costs). Specify how the State will use its 10 percent funds under section 7(b) of the Wagner-Peyser Act. Describe and provide examples of how these coordinated and leveraged funds will lead to a more effective program that expands the involvement of businesses, employees and individuals. (§112(b)(10).)

4. Describe how the needs of dislocated workers, displaced homemakers, low-income individuals such as migrants and seasonal farmworkers, public assistance recipients, women, minorities, individuals training for non-traditional employment, veterans, and individuals with multiple barriers to employment (including older individuals, people with limited English-speaking ability, and people with disabilities) will be met. How will the State ensure nondiscrimination and equal opportunity? (§112(b)(17).)

5. Describe the criteria developed by the State for local boards to use in determining that adult funds are limited and that priority of service applies. Describe the guidelines, if any, the State has established for local boards regarding priority when adult funds have been determined to be limited. (§§112(b)(17)(A)(iv), 134(d)(4)(E).)

6. Describe how the needs of employers will be determined in the local areas as well as on a statewide basis. Describe how services (e.g., systems to determine general job requirements and list jobs), including Wagner-Peyser Act services, will be delivered to employers through the One-Stop system.

How will the system streamline administration of federal tax credit programs within the One-Stop system to maximize employer participation? (20 CFR part 652.3(b), §112(b)(17)(A)(i).)

7. Describe the reemployment services you will provide to Worker Profiling and Reemployment Services claimants in accordance with section 3(c)(3) of the revised Wagner-Peyser Act. (§112(b)(7).)

8. Specifically describe the Wagner-Peyser Act-funded strategies you will use to serve persons with disabilities. (Wagner-Peyser Act §8(b), WIA §112(b)(7).)

9. How will Wagner-Peyser Act funds be used to serve veterans? How will your State ensure that veterans receive priority in the One-Stop system for labor exchange services? (§112(b)(7).)

10. What role will LVER/DVOPS staff have in the One-Stop system? How will your State ensure adherence to the legislative requirements for veterans staff? How will services under this plan take into consideration the agreement reached between the Secretary and the State regarding veterans' employment programs? (§§112(b)(7), 322, 38 U.S.C. Chapter 41 and 20 CFR part 1001-120).

11. Describe how the State will provide Wagner-Peyser Act-funded services to the agricultural community--specifically, outreach, assessment and other services to migrant and seasonal farmworkers, and services to agricultural employers. How will you provide equitable services to this population in the One-Stop system? (20 CFR part 653, §112(b)(7).)

12. Describe how Wagner-Peyser Act funds will provide a statewide capacity for a three-tiered labor exchange service strategy that includes (1) self-service, (2) facilitated self-help service, and (3) staff-assisted service. Describe your State's strategies to ensure that Wagner-Peyser Act-funded services will be delivered by public merit staff employees. (§112(b)(7), §§3(a) and 5(b) of the Wagner-Peyser Act).)

13. Describe how your State will provide rapid response activities with funds reserved under section 133(a)(2), including how the State will use information provided through the WARN Act to determine when to provide such activities.

    a. Identify the entity responsible to provide rapid response services.

b. How will your State's rapid response unit's activities involve the local Boards and local Chief Elected Officials? If rapid response functions are shared between your State unit and local areas, identify the functions of each and describe how rapid response funds are allocated to local areas.

c. Describe the assistance available to employers and dislocated workers, particularly how your State determines what assistance is required based on the type of lay-off, and the early intervention strategies to ensure that dislocated workers who need intensive or training services (including those individuals with multiple barriers to employment and training) are identified as early as possible. (§112(b)(17)(A)(ii).)

14. Describe your State's strategy for providing comprehensive services to eligible youth, including any coordination with foster care, education, welfare and other relevant resources. Include any State requirements and activities to assist youth who have special needs or barriers to employment, including those who are pregnant, parenting, or have disabilities. Describe how coordination with Job Corps, youth opportunity grants, and other youth programs will occur. (§112(b)(18).)

15. Describe how your State will, in general, meet the Act's provisions regarding youth program design, in particular:

- preparation for postsecondary educational opportunities;
- strong linkages between academic and occupational learning;
- preparation for unsubsidized employment opportunities;
- effective linkages with intermediaries with strong employer connections;
- alternative secondary school services;
- summer employment opportunities;
- paid and unpaid work experiences;
- occupational skill training;
- leadership development opportunities;
- comprehensive guidance and counseling;
- supportive services; and
- follow-up services. (§§112(b)(18), 129(c).)

C. System Infrastructure: How will the State enhance the systems necessary to operate and manage your workforce investment system? (§§111(d)(2), 112(b)(1), 112(b)(8)(B).) In your discussion, you must address the following required elements:

1. How will the locally-operated ITA system be managed in the State to maximize usage and improve the performance information on training providers? How will the State ensure the quality and integrity of the performance data? (§§112(b)(14), 112(b)(17)(A)(iii), 122.)

2. How will your State improve its technical and staff capacity to provide services to customers and improve entered employment outcomes in accordance with section 7(a)(3)(f) of the Wagner-Peyser Act? How will your State use technology such as Jobline, "swipe card" technology, a community voice mail system or other methods to build a mediated and electronic labor exchange network? How will the State use America's Job Bank/State Job Bank Internet linkages to encourage employers to enter their own job orders on the Internet? (§112(b)(7).)

3. How will the State improve its employment statistics system to ensure that One-Stop system customers receive timely, accurate and relevant information about local, State and national labor markets? (§§111(d)(2), 111(d)(8), 112(b)(1), 134(d)(2)(E).)

V. **PERFORMANCE MANAGEMENT:** Improved performance and accountability for customer-focused results are central features of WIA. To improve, you not only need systems in place to collect data and track performance, but also systems to analyze the information and modify strategies to improve performance.

In this section, you will describe how you measure the success of your strategies in achieving your goals, and how you use this data to continuously improve the system.

A. For each of the core indicators identified in Section II of these instructions, the customer satisfaction indicator and additional state measures, explain how the State worked with local boards to determined the level of the performance goals. Include a discussion of how the levels compare with the State-adjusted levels of performance established for other States (if available), taking into account differences in economic conditions, the characteristics of participants when they entered the program and the services to be provided. Include a description of how the levels will help you achieve customer satisfaction and continuous improvement over the five years of the Plan. (§§112(b)(3), 136(b)(3).)

B. Does your State have common data system and reporting processes in place to track progress? If so, describe what data will be collected from the various One-Stop partners (beyond that required by DOL), your use of quarterly wage records, and how the statewide system will have access to the information needed to continuously improve. If not, describe the State's timeframe and plans for transitioning from the JTPA to the WIA tracking system, your planned use of quarterly wage records, and the projected time frame for the system to be operational. (§112(b)(8)(B).)

C. Describe the system(s) by which your State measures customer satisfaction for both job seekers and employers (beyond those elements required by the Department). How will customer satisfaction data be evaluated, disseminated locally, and used to improve services and customer satisfaction? Describe any targeted applicant groups under WIA Title I, the Wagner-Peyser Act or Title 38 (Veterans Employment and Training Programs) that your State will track. If no system is currently in place, describe your State's timeframe and plan to collect this information. (§§111(d)(2), 112(b)(3), 136(b)(2)(B).)

D. Describe any actions the Governor and State Board will take to ensure collaboration with key partners and continuous improvement of the statewide workforce investment system. (§§111(d)(2), 112(b)(1).)

E. How will the State and local Boards evaluate performance? What corrective actions (including sanctions and technical assistance) will the State take if performance falls short of expectations? How will the Boards use the review process to reinforce the strategic direction of the system? (§§111(d)(2), 112(b)(1), 112(b)(3).)

VI. ASSURANCES

1. The State assures that it will establish, in accordance with section 184 of the Workforce Investment Act, fiscal control and fund accounting procedures that may be necessary to ensure the proper disbursement of, and accounting for, funds paid to the State through the allotments made under sections 127 and 132. (§112(b)(11).)

2. The State assures that it will comply with section 184(a)(6), which requires the Governor to, every two years, certify to the Secretary, that -

(A) the State has implemented the uniform administrative requirements referred to in section 184(a)(3);

(B) the State has annually monitored local areas to ensure compliance with the uniform administrative requirements as required under section 184(a)(4); and

(C) the State has taken appropriate action to secure compliance pursuant to section 184(a)(5). (§184(a)(6).)

3. The State assures that the adult and youth funds received under the Workforce Investment Act will be distributed equitably throughout the State, and that no local areas will suffer significant shifts in funding from year to year during the period covered by this plan. (§112(b)(12)(B).)

4. The State assures that veterans will be afforded employment and training activities authorized in section 134 of the Workforce Investment Act, to the extent practicable. (§112(b)(17)(B).)

5. The State assures that the Governor shall, once every two years, certify one local board for each local area in the State. (§117(c)(2).)

6. The State assures that it will comply with the confidentiality requirements of section 136(f)(3).

7. The State assures that no funds received under the Workforce Investment Act will be used to assist, promote, or deter union organizing. (§181(b)(7).)

8. The State assures that it will comply with the nondiscrimination provisions of section 188, including an assurance that a Methods of Administration has been developed and implemented ((§188.)

9. The State assures that it will collect and maintain data necessary to show compliance with the nondiscrimination provisions of section 188. (§185.).

10. The State assures that it will comply with the grant procedures prescribed by the Secretary (pursuant to the authority at section 189(c) of the Act) which are necessary to enter into grant agreements for the allocation and payment of funds under the Act. The procedures and agreements will be provided to the State by the ETA Office of Grants and Contract Management and will specify the required terms and conditions and assurances and certifications, including, but not limited to, the following:

- General Administrative Requirements:

  29 CFR part 97 --Uniform Administrative Requirements for State and Local Governments (as amended by the Act)
  29 CFR part 96 (as amended by OMB Circular A-133) --Single Audit Act
  OMB Circular A-87 --Cost Principles (as amended by the Act)

- Assurances and Certifications:

  SF 424 B --Assurances for Nonconstruction Programs
  29 CFR part 31, 32 --Nondiscrimination and Equal Opportunity Assurance (and regulation)
  CFR part 93 --Certification Regarding Lobbying (and regulation)
  29 CFR part 98 --Drug Free Workplace and Debarment and Suspension Certifications (and regulation)

- Special Clauses/Provisions:

  Other special assurances or provisions as may be required under Federal law or policy, including specific appropriations legislation, the Workforce Investment Act, or subsequent Executive or Congressional mandates.

11. The State certifies that the Wagner-Peyser Act Plan, which is part of this document, has been certified by the State Employment Security Administrator.

12. The State certifies that veterans' services provided with Wagner-Peyser Act funds will be in compliance with 38 U.S.C. Chapter 41 and 20 CFR part 1001.

13. The State certifies that Wagner-Peyser Act-funded labor exchange activities will be provided by merit-based public employees.

14. The State certifies that Workforce Investment Act section 167 grantees, advocacy groups as described in the Wagner-Peyser Act (e.g., veterans, migrant and seasonal farmworkers, people with disabilities, UI claimants), the State monitor advocate, agricultural organizations, and employers were given the opportunity to comment on the Wagner-Peyser Act grant document for agricultural services and local office affirmative action plans and that affirmative action plans have been included for designated offices.

15. The State assures that it will comply with the annual Migrant and Seasonal Farmworker significant office requirements in accordance with 20 CFR part 653.

16. The State has developed this Plan in consultation with local elected officials, local workforce boards, the business community, labor organizations and other partners.

17. The State assures that it will comply with section 504 of the Rehabilitation Act of 1973 (29 USC 794) and the American's with Disabilities Act of 1990 (42 USC 12101 et seq).

18. The State assures that funds will be spent in accordance with the Workforce Investment Act and the Wagner-Peyser Act legislation, regulations, written Department of Labor Guidance, and all other applicable Federal and State laws.

VII. Program Administration Designees and Plan Signature

Name of WIA Title I Grant Recipient Agency:
Address:
Telephone Number: **Facsimile Number:** **E-mail Address:**

Name of State WIA Title I Administrative Agency (if different from the Grant Recipient):
Address:
Telephone Number: **Facsimile Number:** **E-mail Address:**

Name of WIA Title I Signatory Official:
Address:
Telephone Number: **Facsimile Number:** **E-mail Address:**

Name of WIA Title I Liaison:
Address:
Telephone Number: **Facsimile Number:** **E-mail Address:**

Name of Wagner-Peyser Act Grant Recipient/State Employment Security Agency:
Address:
Telephone Number: **Facsimile Number:** **E-mail Address:**

Name and title of State Employment Security Administrator (Signatory Official):
Address:
Telephone Number: **Facsimile Number:** **E-mail Address:**

As the Governor, I certify that for the State/ Commonwealth of _____, the agencies and officials designated above have been duly designated to represent the State/ Commonwealth in the capacities indicated for the Workforce Investment Act, Title I, and Wagner-Peyser Act grant programs. Subsequent changes in the designation of officials will be provided to the U.S. Department of Labor as such changes occur.

I further certify that we will operate our Workforce Investment Act and Wagner-Peyser Act programs in accordance with this Plan and the assurances herein.

_____

Typed Name and Signature of Governor Date

Optional Table for State Performance Indicators and Goals[1]

WIA Requirement at Section 136(b)	Corresponding Performance Indicator(s)	Previous Year Performance	Performance Goals Out-Years		
			1	2	3
ADULTS					
Entry into Unsubsidized Employment					
6-Months Retention in Unsubsidized Employment					
6-Months Earnings received in Unsubsidized Employment					
Attainment of Educational or Occupational Skills Credential					
DISLOCATED WORKERS					
Entry into Unsubsidized Employment					
6-Months Retention in Unsubsidized Employment					
6-Months Earnings received in Unsubsidized Employment					
Attainment of Educational or Occupational Skills Credential					
YOUTH AGED 19-21					
Entry into Unsubsidized Employment					
6-Months Retention in Unsubsidized Employment					
6-Months Earnings received in Unsubsidized Employment					
Attainment of Educational or Occupational Skills Credential					

[1]Further guidance, including definitions of specific indicators, will be provided separately.

WIA Requirement at Section 136(b)	Corresponding Performance Indicator(s)	Previous Year Performance	Performance Goals Out-Years		
			1	2	3
YOUTH 14-18					
Attainment of Basic, Work Readiness and/or Occupational Skills					
Attainment of Secondary School Diplomas/ Equivalents					
Placement and Retention in Post-Secondary Education/Training, or Placement in Military, Employment, Apprenticeships					
PARTICIPANT CUSTOMER SATISFACTION					
EMPLOYER CUSTOMER SATISFACTION					
ADDITIONAL STATE-ESTABLISHED MEASURES					

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LOCAL PLANNING GUIDANCE FOR SINGLE WORKFORCE INVESTMENT AREA STATES

I. Local Plan Submission

Section 118 of the Workforce Investment Act requires that the Board of each local workforce investment area, in partnership with the appropriate chief elected official, develop and submit a comprehensive 5-year Local Plan for activities under Title I of WIA to the Governor for his or her approval. In States where there is only one local workforce investment area, the Governor serves as both the State and local Chief Elected Official. In this case, the State must submit both the State and Local Plans to the Department of Labor for review and approval. States may (1) submit their Local Plan as an attachment to the State Plan or (2) include these elements within their State Plan, and reference them in an attachment.

The State Planning Guidance on Plan modifications and the Plan approval process applies to a single workforce investment area State Local Plan, with one addition: The Department will approve a Local Plan within ninety days of submission, unless it is inconsistent with the Act and its implementing regulations, or deficiencies in activities carried out under the Act have been identified and the State has not made acceptable progress in implementing corrective measures. (§112(c).)

II. Plan Content

In the case of single workforce investment area States, much of the Local Plan information required by section 118 of WIA will be contained in the State Plan. At a minimum, single workforce investment area State Local Plans shall contain the additional information described below, and any other information that the Governor may require. For each of the questions, if the answers vary in different areas of the State, please describe those differences.

A. Plan Development Process

1. Describe the process for developing the Local Plan. Describe the process and timeline used to provide an opportunity for public comment, including how local Chief Elected Officials, representatives of businesses and labor organizations, and other appropriate partners provided input into the development of the Local Plan, prior to the submission of the Plan. (§118(b)(7).)

2. Attach any comments received on the Local Plan (or a summary), and demonstrate how comments were considered in the Plan development process. (§118(c)(3).)

B. Services

1. Describe the one-stop system(s) that will be established in the State. Describe how the system(s) will ensure the continuous improvement of eligible providers of services and ensure that such providers meet the employment and training needs of employers, workers and job seekers throughout the state. Describe the process for the selection of One-Stop operator(s), including the competitive process used or the consortium partners. (§118(b)(2)(A).)

2. Include a copy of each memorandum of understanding between the Board and each One-Stop partner (including the Wagner-Peyser Act agency). (§118(b)(2)(B).)

3. Describe and assess the type and availability of adult and dislocated worker employment and training activities. (§118(b)(4).)

4. Describe and assess the type and availability of youth activities, including an identification of successful providers of such activities. (§118(b)(6).)

C. System Infrastructure

1. Identify the entity responsible for the disbursal of grant funds, as determined by the Governor. Describe how funding for areas within the State will occur. Provide a description of the relationship between the State and within-State areas regarding the sharing of costs where co-location occurs. (§118(b)(8).)

2. Describe the competitive process to be used to award the grants and contracts in the State for WIA Title I activities. (§118(b)(9).)

Appendix D:

Highlights from the Evaluation

A REPORT ON EARLY STATE AND LOCAL PROGRESS TOWARDS WIA IMPLEMENTATION

BRIEFING HIGHLIGHTS

I. The Interim Report on WIA Implementation

- Looks broadly at implementation progress nationwide by reviewing snapshots of implementation progress from the WSIE tracking system.
- Provides a detailed examination of implementation approaches and experiences in 6 selected early implementation states and 9 local areas.

II. Key Findings from the WSIE Tracking System

The WSIE Tracking System:

- Documents states' progress toward WIA implementation in four areas:
  - Plan development and submittal
  - Organization and governance
  - Service design and delivery
  - Program administration and support
- Identifies areas in which readiness is uneven or lagging.

A. Plan Development and Submittal

- States succeeded in involving a wide variety of programs and partner agencies in the WIA planning process.
- Public input into plan development occurred on schedule in most states.
- Two-fifths of the states submitted a Unified Plan involving at least three programs (at least one program in addition to WIA Title I and Wagner Peyser).

B. Organization and Governance

- One-half of the states have chosen to "grandfather" an existing state policy board as the State Workforce Investment Board.
- Over half of the states have established an optional state-level Youth Council.
- In just under half the states, some local area boundaries have been reconfigured. Nationally, the number of local areas has declined slightly.
- Two-thirds of local areas have established new policy boards, rather than "grandfathering" existing boards.
- Most Local Boards have established a clear separation between policy oversight and program operations.

- Some local areas are worried that their Local Boards will be unwieldy because they have so many members.

C. One-Stop Service Design and Delivery

- Local areas are moving rapidly to develop MOUs involving One-Stop partners and Local Boards.
- 90% of all local areas had designated center operators and opened at least one comprehensive One-Stop center by October 2000.
- Many states have not yet developed detailed service delivery policies and procedures for local areas to follow.
  - States may not have finished developing these guidelines.
  - States may be intentionally leaving room for local discretion.
- Development of the consumer report system was not yet complete in many states.
  - Initial lists of eligible training providers have been developed.
  - States are concerned about the difficulties in collecting, validating, and analyzing data on provider performance for recertification of providers.

D. Program Administration and Support

- About two-thirds of the states are currently developing integrated data systems to allow for the tracking of participants and expenditures across programs.
- Two-thirds of the states have also issued policies to local areas regarding cost allocation procedures within One-Stop systems.

E. Key Implementation Challenges for Some States:

- Who should serve on State Boards?
- How to keep the business members of State Boards involved?
- How to include all required representatives on Local Boards without making these bodies too large?
- How to develop and sustain One-Stop services with limited funds?
- How to allocate costs among One-Stop partner agencies?
- How to develop the full array of youth services called for in the legislation?
- How to coordinate worker profiling with One-Stop service delivery?
- How to develop shared information systems?
- How to access and use UI data to calculate provider and participant performance?

III. Key Findings from Case Studies of Early Implementation Experiences in 6 States and 9 Local Areas

A. The Transition to WIA

- Most of the case-study sites were proactive, rather than reactive in preparing for transformed workforce development systems. Specifically, they had already:
  - Identified inefficiencies in their former systems.
  - Anticipated legislative reforms.
  - Begun to develop an infrastructure consistent with a One-Stop delivery system.
- Several factors have emerged as key facilitators of early WIA implementation in the case-study states and local areas:
  - Pre-existing state and local partnerships, sometimes spurred by formal consolidation of the agencies concerned with workforce development.
  - Pre-existing state and local workforce investment boards that had already been established to coordinate among multiple programs and funding streams.
  - Pre-existing One-Stop delivery systems, promoted by DOL One-Stop implementation grants.
- Challenges experienced in making the transition to WIA:
  - The compressed time frame for the transition to WIA undertaken by the early implementation states.
  - The need to anticipate federal requirements for WIA implementation in advance of the completion of final program regulations.
  - The need to develop cost-sharing and leasing arrangements among One-Stop partners.
  - The need to build new information systems to support collaboration among One-Stop partners.
  - Categorical program requirements that prevented various partners from participating in various aspects of One-Stop service delivery.

B. Governing Workforce Development Systems Under WIA

Congress envisioned a governance structure for WIA that would accomplish multiple purposes, including:

- Foster strategic partnerships for workforce development policy-making and planning through the creation of state and local workforce investment boards, led by private sector representatives.
- Allow State and Local Boards the flexibility to design systems suited to particular local needs by acting as the strategic planning agent for all workforce investment activities within their geographic areas.
- Promote interagency collaboration in the delivery of services to job seekers and employers.

1. State Workforce Investment Boards

- The majority of the case-study states chose to grandfather their existing State Boards.
  - Boards had already been reorganized prior to passage of WIA to oversee multiple programs and agencies.
  - Boards already had strong private sector involvement.
- Several case-study states developed new Boards under WIA.
- In two case-study states, the State Boards emerging under WIA emphasize broad integration of workforce development activities with economic development efforts and human services/public assistance programs.
- State Boards are staffed in a variety of different ways—sometimes by the lead state agency under WIA, sometimes by another state agency, and sometimes using a separate State Board staff.

2. Local Workforce Investment Boards

- Local case-study sites designated Local Workforce Investment Boards in a variety of ways.
  - Local sites in two states grandfathered existing local human resource investment councils (HRICs) as Local Boards.
  - Local sites in two other states created new Local Boards with a broader focus to meet the requirements of WIA.
  - In two single workforce area states, State Boards assumed the formal responsibilities of both State and Local Boards, but informal regional boards were formed to foster local partnerships and tailor programs to local needs.

- Requirements for representation of all stakeholders and partners and maintenance of a business majority have swelled the size of many local boards to 30 or more members.
  - More manageable committees, formed to address local priorities, conduct much of the work performed by Local Boards.
  - For many Local Boards, Youth Councils are one of 4 to 8 standing committees of the board.
- Local areas vary in the extent of the separation between staff assigned to the Local Board and staff assigned to program operations.
  - Several areas had a clear demarcation between Board and operations staff.
  - Several areas were in a period of transition, with the same agency supporting Board staff and participating as a member of a One-Stop operator consortium.
  - In two instances, the same organization planned to staff the board and operate One-Stop centers on an ongoing basis.

3. Youth Councils

- Local sites were at different stages of establishing the Youth Councils required by WIA.
  - Some sites had fully functioning Youth Councils and had already identified youth providers.
  - Other sites were still establishing Youth Councils and setting their Councils' missions and goals.
- Each of the case-study states has developed state youth councils or task forces to assist local areas in the establishment of their youth programming.

4. Governance of Individual One-Stop Centers

- Memoranda of understanding (MOUs) for the operation of One-Stop centers are often "umbrella agreements" involving multiple stakeholders, including the Local Board, the designated One-Stop operator, and One-Stop partner agencies.
  - MOUs often include agreements about shared goals and Board representation and commitments to participate in a coordinated system.
  - Early MOUs were not always detailed enough to spell out the details of staff collocation, shared service delivery responsibilities, or resource sharing arrangements.

- In a majority of the case-study states, State Boards played a strong role in chartering One-Stop centers under WIA.
  - This included the states with only a single workforce investment area and two states that were actively involved in establishing guidelines for One-Stop center certification.
  - Several other states delegated full authority for designating local One-Stop centers to the Local Boards.
- Two different procedures were used to designate One-Stop operators across the case-study sites.
  - About half the sites selected a consortium of partners through a non-competitive process.
  - About half the sites selected one or more agencies to operate One-Stop centers using a competitive process.
- Management arrangements for local centers varied according to the method used to designate the One-Stop operator.
  - Centers operated by a consortium of partners often designated the local manager of one of the partner agencies to manage the center as a whole.
  - Centers with a competitively selected operator designated a site manager who became the primary point of authority on center operations.
  - One site with a consortium arrangement advertised for and hired new One-Stop center managers to emphasize that they were responsible to the partnership as a whole.

5. Role of Elected Officials

- There is variation in how much elected officials are involved in the details of governing workforce development systems at the state level.
  - State legislatures and governors have been highly involved in crafting the state workforce development system in most of the case-study states.
  - In some states, this involvement occurred prior to WIA implementation; in others, elected officials were actively involved in shaping the system during the study period.
- Local elected officials in most sites were involved in overall Board formation, but are only marginally involved in day-to-day Local Board operations.

6. Summary of Organization and Governance Issues

- Overall, states and local areas have made substantial progress in establishing governance structures consistent with the statutory requirements of the Act and the intent of the legislation.
- Inevitable tensions remain to be worked out in many sites in the following areas:
  - Arriving at the right balance between state policy guidance and local discretion.
  - Clarifying the details of how One-Stop partners will work with the One-Stop operator in funding and providing customer services.

C. Service Design and Delivery Under WIA

1. Implementation Challenges

- Sites were still fleshing out their designs for core, intensive, and training services at the time we visited them in the early spring of 2000.
- Among the tasks that sites needed to complete were the following:
  - Developing a detailed menu of customer services available to adults and employers under each tier of core, intensive, and training services
  - Identifying how different One-Stop partners would participate in the delivery of each tier of services.
  - Designing customer eligibility and service priority policies and procedures.
  - Designing and putting in place a delivery system for comprehensive year-round services for eligible youth.

2. Core Services

- Core services offered to individuals in most One-Stop centers fall into several clusters:
  - Staffed greeting and orientation to available services.
  - Access to self-service information, self-assessment, and automated training services within One-Stop resource rooms, at satellite sites, or via the Internet.
  - Staffed assistance with labor exchange functions.
  - Group workshops or limited individual career counseling, which were offered in only one-third of the sites we visited.

- Assistance in determining eligibility for more intensive and/or specialized services.

- A number of different organizational arrangements are used to deliver core services to job seekers.
  - Wagner-Peyser-funded staff is dominant in the delivery of core services in the majority of local areas we studied.
  - Some sites share responsibility for core services among different members of the One-Stop operator consortium.
  - In some sites, Wagner-Peyser staff is a key provider of core services under the coordination of, and with participation by, the designated One-Stop operator.
- Several different arrangements have evolved for the financing of core services.
  - In about half the local sites we visited, Wagner-Peyser funds are the sole or primary funding source for core services.
  - About one-third of the sites have planned to blend multiple funding streams "up-front."
  - Other sites coordinate in-kind contributions of time from staff working for several different agencies.
- States have been cautious in deciding when to officially register recipients of core services as WIA participants.
  - Two states have instructed local areas to register all One-Stop recipients of individualized job search services, individualized career planning, or screened referrals to jobs.
  - The other states do not plan to register any recipients of core services in WIA, because (a) they are not provided using WIA Title I funds, or (b) they have not defined any core services as assisted core services.
- This caution, born of concern about WIA performance measurements, is in tension with a desire to get "credit" for core services provided to customers
  - A number of states and local sites are planning to count informally the number of individuals who receive core services.
  - To track customers of core services, sites are developing "membership" swipe cards and asking customers to register in Wagner-Peyser information systems.

- Challenges in designing and delivering core services include the following:
  - Making customers aware of the full range of staffed and unstaffed services that are available.
  - Providing sufficient staff support to help customers make effective use of self-service tools.
  - Balancing customer use of self-service and staffed core services.
  - Learning to broker access to services available from a variety of sources.

3. Intensive Services

- Most states and local sites have developed uniform procedures to guide the flow of clients into intensive services.
- Procedures used to regulate the transition from core to intensive services include:
  - Documenting the receipt of required core service or services.
  - Defining the self-sufficiency income level that determines eligibility among employed individuals.
  - Identifying what groups will have priority access to intensive services.
- Many local sites had not fully developed their intensive service menus at the time we conducted research visits.
  - Some sites are flexible about how intensive service could be sequenced.
  - Other sites have designed a uniform sequence of intensive services for all participants, but recognized that individual service content will be tailored to meet individuals' needs and interests.
  - In most sites, all individuals receiving intensive services are officially registered as WIA participants.
- Three different approaches are available for the staffing of intensive services:
  - Centralized delivery by the designated One-Stop career center operator or contracted provider of intensive services.
  - Coordinated delivery, drawing on staff from a variety of different One-Stop partner agencies, both on and off-site.

- Centralized case management with coordinated delivery of services specified in the individual service plan. None of the case-study sites had fully realized this approach.

- Challenges in designing and delivering intensive services include the following:
  - Providing a service menu that is varied enough to meet the needs of customers with varying work experience, skills levels, and interests.
  - Identifying multiple funding streams to support the delivery of seamless intensive services.
  - Making sure that intensive services help customers reach their employment goals, even when these services are offered as "stand-alone" services without training.

4. Training Supports

- WIA requires major changes in the delivery of training supports to individuals for whom core and intensive services are not sufficient.
  - Under WIA, these individuals should be assisted in developing a training plan and applying for training resources from a variety of sources, including student financial aid programs, WIA Title I, and other publicly funded training programs.
  - Individual training accounts (ITAs), a form of vouchers, are to be implemented as the new nationwide delivery vehicle for the delivery of most training services.
- States are generally responsible for a specific set of training-related functions, including maintaining a statewide list of eligible training providers.
  - In most sites, states have given local areas substantial discretion in administering training services.
  - Decisions usually made by Local Boards include setting priority criteria for training, designing eligibility and registration procedures, determining the maximum training support available to an individual, and overseeing the local One-Stop operators or One-Stop partners responsible for operating the ITA system.
- Reviewing provider performance for the initial eligible provider list:
  - Was not difficult for the first year of WIA operations, since providers did not need to provide data on performance of previous students.

- Is expected to be a major challenge during recertification of eligible providers for the second year of operations.

- Each case-study site defined its own procedures to establish individual customer appropriateness and priority for training. In general, a decision to fund training occurs after a customer:
  - Has developed a clear employment goal for which a specified training plan has been determined to be both necessary and sufficient.
  - Has received one or more assessments that confirm both the need to receive training to realize the customer's employment goal *and* the customer's possession of the skills needed to succeed in training.
  - Has attempted to cover the costs of training from other sources, including student financial aid programs.
- Not all local areas had developed priority policies for access to training resources at the time we conducted the research visits. Among sites that had developed policies for training priority:
  - Several local areas stated that they would give priority to welfare recipients and low-income individuals as required in the federal legislation.
  - One local workforce investment board decided not to give priority to any particular group, but its procedures for approving training plans have "built-in measures" to assess the need for and appropriateness of training.
- Local sites developed varied policies to ration limited training resources across individual participants.
  - Annual training caps were set at levels generally ranging from $2,500 to $5,000.
  - The maximum allowable duration of training was generally set at two years.
- Local areas appear to be struggling with how to support adult basic education as part of their One-Stop service systems.
  - The federal WIA legislation suggests that adult basic education—in the absence of linked occupational skills training or work-based learning—should be categorized as an intensive prevocational service, rather than a training service.
  - Several case-study sites will support adult basic education services using ITAs, as well as through other service delivery arrangements.

- Several sites indicated that the transfer to ITAs occurred without much difficulty, because the system is so similar to their prior arrangements for individual referral to training services.
  - However, monitoring provider performance has emerged as a major task under the new ITA system.
  - Many of the consumer report systems being developed at the state level were still in the design and development phases at the time we visited the states.
- Although most sites said they would allow other modes of providing training (e.g. customized training for particular employers, contracts for training for particular hard-to-serve groups, OJT contracts or paid internships), these alternatives had not yet been formulated or implemented.
  - OJT did not appear to be widely used or anticipated as a major training delivery vehicle under WIA in the sites visited.
  - Only one site appeared to have a well-developed system for supporting what it cails "Work Site Learning," which includes on-the-job training, paid internships, apprenticeships, and unpaid internships.
- A number of sites identified challenges or concerns about implementing various aspects of their local training systems, including the following:
  - Fears that there are not enough training providers to support an ITA system, as well as fears that potential training providers are dropping out of the ITA system as a result of the burden of required performance reporting.
  - Concerns about how to address literacy and basic skills training needs using WIA resources.
  - A feeling that funding levels are not sufficient to support needed training activities.
  - A need to change the culture of the One-Stop system so that direct approval/delivery of training is no longer thought of as the major service provided by the system.

5. Employer Services

- Most local case-study sites appeared to be in the early stages of developing customer-driven services to meet the needs of the business community.
- Automated One-Stop services for employers include labor market information and labor exchange tools.

- These tools can be used by employers to post new job openings, review job seeker resumes, and initiate individualized job matches.
- Information services may include labor market information, economic projections, tax credit information, and more.

- The majority of case-study sites are beginning to build a seamless system of staffed employer services.
  - They are making a single person or agency the point of contact for employer services within the local One-Stop system.
  - Staffed core services generally include individualized applicant recruitment and screening services, information and counseling on business issues, and assistance with downsizing.
  - Staffed employer services are generally offered at no cost to employers.
- Some local sites are developing a menu of intensive or specialized services available to employers.
  - Services may include intensive recruitment and screening assistance, intensive business consultation services, and customized training for new or incumbent workers.
  - The decision about whether to charge for these services is generally left up to the local area.
- Key challenges in providing One-Stop services to employers include the following:
  - Increasing employer awareness of these services.
  - Convincing employers to use these services.
  - Developing a varied menu of intensive services that address issues of vital interest to one or more employers.

6. Youth Services

- Local areas were still in the early stages of designing youth services when we visited them in the spring of 2000.
- WIA Title I was often viewed as only one of many programs and funding streams that need to be coordinated to provide comprehensive youth services as described in the WIA legislation.

- The wide-ranging nature of required youth services under WIA requires pooling of resources and expertise across multiple programs and agencies.
- The provision of year-round services suggests strong partnerships with local school districts and youth-serving organizations in the community.
- To reach youth in need of intensive services from WIA requires broad outreach to a large number of potential youth participants by feeder organizations and programs.

- A number of case-study sites were abandoning their previous summer youth programs and reinventing youth services from scratch to realize the WIA vision of comprehensive year-round services.
- Local Youth Councils and Local Boards are selecting a wide variety of organizations to provide WIA-funded youth services.
- Local sites vary in the extent to which they build bridges between their local One-Stop center systems and services for youth.
  - Linkages between One-Stop and youth services include the use of One-Stop automated resources in youth service settings.
  - One site is encouraging youth to receive services within One-Stop centers by creating a part of each One-Stop center that is dedicated to youth.

D. Program Administration and Support

- States and local areas need to support the emergence of workforce development services envisioned under WIA by:
  - Developing new and transformed performance accountability systems.
  - Developing management information systems that can support seamless services.
  - Building staff capacity to operate within One-Stop service systems.
- At the state and local levels, performance accountability systems are being changed:
  - To incorporate customer satisfaction measures.
  - To address goals for continuous improvement.
- Case-study states and local areas seem to have muddled through the first negotiation process around performance levels for PY 1999.

- Some states found DOL regional staff very helpful in working with them to develop reasonable yet challenging performance targets.
- Others felt that DOL was inflexible and unclear about how to negotiate with states.
- Similarly some local areas felt that states did not allow sufficient room for negotiation about local performance levels.

- States are making major changes to their management information systems to realize the vision embodied in the WIA legislation.
  - Some states have focused first on developing automated information systems that can support expanded labor market information and labor exchange services for One-Stop customers.
  - Other states have started working on automated case management tools and program eligibility screens that can support staff functions and make these functions more efficient across One-Stop partners' programs.
  - Progress is being made at varying rates in different states.
- Staff capacity-building efforts are addressing a number of different WIA implementation challenges, including:
  - Training for local boards and local elected officials on basic workforce development issues and system features.
  - Preparing staff to operate in the multiple-program environment required by the One-Stop system using cross-training and training in the basic competencies needed in providing One-Stop workforce development services.
  - Developing systems that incorporate themes of high performance work, such as customer service and continuous improvement.

E. School-to-Work Linkages with WIA

- WIA implementation is occurring just as federal funding for School-to-Work is ending in a number of states and local areas. This has created interest among both STW and WIA observers about whether:
  - WIA is benefiting from the lessons learned by the STW initiative about state-local and local-local partnerships and collaborative efforts
  - WIA is indirectly providing an opportunity to sustain some of the principles and activities initiated as part of the STW initiative by

incorporating them as part of the local workforce development system under WIA.

- There appears to be substantial overlap of personnel at the state and local levels between STW planning/administration and WIA planning/administration.
  - This overlap has kept the ideas and perspectives generated under the STW movement in view during the process of WIA planning.
  - In some cases the same agencies that have been active in the planning and delivery of STW services have been contracted to provide youth services under WIA.
  - Specific opportunities for cross-fertilization have occurred in some sites around involving employers in youth service issues, involving the private philanthropic sector in support of youth programming, and including work-based learning opportunities as a key part of comprehensive youth services.
- Strong coordination and collaboration between WIA partnerships and the system partnerships developed under STW was more likely to occur in local areas in which:
  - STW systems were well developed, effective, and well known, prior to WIA.
  - STW systems had strong linkages with the business community.
  - The STW initiative had a successful track record among business and education of educating youth to be productive workers.

  Coordination was also generally stronger in rural areas and where local youth were performing far below average in educational achievement.

IV. Interim Conclusions on WIA Implementation

- Overall states and local areas included in the early implementation review are moving rapidly toward full implementation of WIA compliant systems.
  - Sites that had already made progress in implementing One-Stop centers prior to the passage of WIA did not have to make abrupt changes.
  - For other sites, WIA has required a change in agency and partner culture to focus on the delivery of customer-driven services.
- Among the most promising features of the emerging state and local workforce development systems under WIA are the following:
  - Local workforce development systems under WIA reflect the priorities of local elected officials and policy boards and take on

a "local flavor" while still meeting the requirements of the federal legislation.

- Emerging One-Stop systems are taking advantage of the strengths and expertise of a wide variety of partner programs and are combining them in different roles in each local system.

- Key implementation challenges that still need attention in most states and local areas include the following:
  - A need to expand and enrich the menu of available core and intensive services.
  - A need to clarify relationships among One-Stop service delivery partners.
  - Improving the relationships between federal government and the states, and between states and local areas in setting clear policy guidelines while promoting local discretion.
  - Improving employer services and increasing the level of employer involvement.
  - Developing comprehensive youth services
  - Developing a shared workforce development management information system (MIS).

- The experiences of the early implementation states and local areas should help inform other sites currently in the early stages of WIA implementation. The following are lessons that can be learned:
  - Implementing WIA is likely to be a time-consuming and labor intensive process.
  - There is room for substantial local variation in designing workforce development systems under WIA.
  - Existing governance and service models emerging in the early implementation states may provide some useful examples of innovative practices.